

(Convenience translation into English from the original
previously issued in Portuguese)

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Independent Auditors' Report

Individual and consolidated financial statements
As at December 31, 2021

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RELEASE OF RESULTS

4Q21

ESG

Portuguese Videoconferencing (simultaneous translation into English)

Tuesday, 15th of March of 2022

09h00 (São Paulo time)

08h00 (NY time)

Webcast: [Clique aqui](#)

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ambipar
GROUP

A líder em gestão ambiental.

RESULTS 4Q21

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Highlights (BRL million)	4Q20	3Q21	4Q21	Δ% 4Q21 vs. 4Q20	Δ% 4T21 vs. 3T21	2020	2021	Δ% 2021 vs. 2020	2021 pro forma	Δ% 2021 vs. 2020
Gross Revenue	256,1	708,8	782,6	206%	10%	800,4	2.197,5	175%	3.130,2	291%
Net revenue	226,0	616,0	681,8	202%	11%	701,6	1.916,3	173%	2.727,1	289%
COGS and SG&A	(162,3)	(454,9)	(495,9)	206%	9%	(504,1)	(1.399,4)	178%	(1.983,5)	294%
EBITDA	63,7	161,2	185,9	192%	15%	197,6	516,9	162%	743,6	276%
EBITDA margin	28,2%	26,2%	27,3%	-0,9%	1%	28,2%	27,0%	-1%	27,3%	-3%
Net income	26,3	43,7	52,3	n/a	n/a	49,5	168,9	n/a	209,4	323%
Net Debt	(384,5)	1.534,5	1.874,4	n/a	22%	(384,5)	1.874,4	-588%	1.874,4	n/a

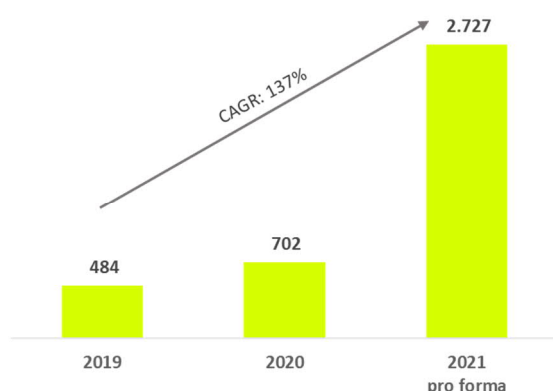
(1) 4Q21 annualized results

ADMINISTRATION MESSAGE

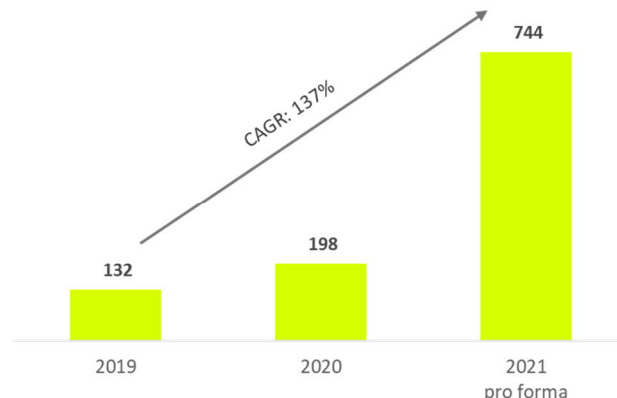
The year of 2021

Ambipar concludes 2021 and again demonstrates solid capacity in the execution of its growth strategy, both organically and through acquisitions. The company conducted strategic transactions in Latin America, North America and Europe and won new contracts relevant for both Environment and Response. In this way, Ambipar is increasingly positioning itself as the reference company in environmental management and emergency response in Brazil and abroad. In the consolidated of the year, Ambipar has more than 350 operational bases in 16 countries and new growth verticals, such as initiatives to value post-consumption waste and developing projects and commercialization of carbon credits. In 2021, the Group achieved pro forma consolidated revenue and EBITDA of R\$ 2.7 billion and R\$ 744 million, a CAGR of 137% with margin maintenance, since 2019, and begins 2022 with a prospect of strong organic growth in both the Environment and Response segment.

NET REVENUE



EBITDA



Highlights of the year

- Ambipar's entry into the Corporate Sustainability Index ("ISE") of B3, ranked among the top 10 in the ranking;
- Launch of Ambify, a blockchain-based platform that offers the possibility of carbon offset directly in the application for retail;
- Signing of a service contract for the world's largest hazardous goods emergency training center, the Transportation Technology Center (TTC), ENSCO and the United States Federal Railway Administration (FRA);
- Signing of a partnership agreement for the development of a carbon project in the Amazon, in the state of Pará, using the REDD+ (Reduction of Emissions from Deforestation and Forest Degradation) mechanism, in addition to promoting (+) sustainable forest management, conservation and increase of forest carbon stocks) with Agropalma;

Growth avenues

Ambipar is constantly exploring the organic growth path, based on the cross-selling of services provided by all lines of operation of the Company. The strategy is focused on building a solid and lasting relationship with the customer base, developing specific solutions with customer focus to meet the needs of each.

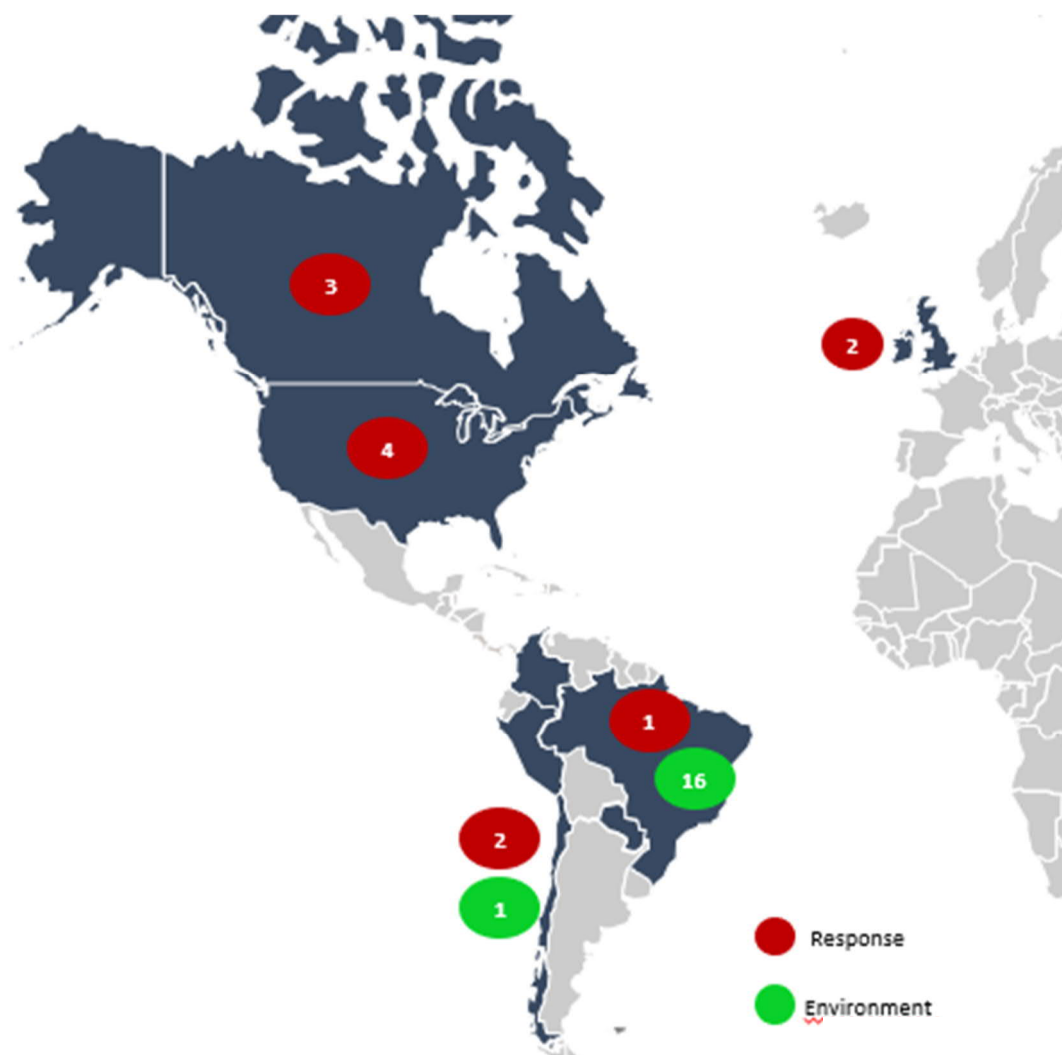
In the next few quarters, Ambipar will continue to intensify its focus on the integration of acquired companies, capturing operational, commercial, and administrative synergies.

The growth plan in the Environment segment focuses on expansion in Brazil and abroad and is based on a disruptive innovation strategy, with the use of state-of-the-art technology in research and development (R&D) focused on the recovery of waste by applying the concepts of the circular economy.

In the Response segment, the focus is on expansion in Brazil and abroad (Latam, North America and Europe), working in prevention, training, emergency care and industrial services, following international standards and guidelines with its own structure and high capillarity, ensuring efficiency in response time, and reducing and mitigating possible environmental impacts.

Another important growth paths the investment opportunities via acquisitions (M&A) that seeks to incorporate new solutions and technologies, complementary sectors and geographies in Brazil and abroad, in addition to synergy with the current customer base, verticalization among the Group's companies, always respecting the premise of sustainable value creation.

In 2021, several acquisitions were made, according to the growth plan that had been stipulated by Ambipar. The focus of the acquisitions were companies that add value to the platform of the growth verticals, increase the group's know-how in new technologies and services, such as the acquisitions made in Environment and, in the case of Response that could give greater capillarity and geographical coverage. This year, acquisitions were made in Brazil, Chile, Colombia, the United States, Canada, England, and Ireland.



In 4Q21, the company showed a mostly organic growth with increased margin. Among the factors that influenced this growth is the capture of commercial, operational, and administrative synergies of acquisitions made throughout the year, with the expansion of services offered leveraged by cross-selling efforts of the client portfolio and optimization in the acquisition of insums.

At **Environment**, in 4Q21, 6 acquisitions were announced:

- I. **Brasil Coleta**: For more than 24 years in the Waste Management market, Brasil Coleta has in its DNA the specialization in the capture, valorization and commercialization of Industrial Waste and Recyclable Materials, including reverse logistics. Its industrial plants, located in the states of São Paulo and Amazonas, are designed for processing large volumes, which enables reduction of logistics and operational costs
- II. **BLEU**: It works in the offer of asset tokenization solutions, digital portfolio management, development of smart contracts via blockchain, consulting and traceability of inputs in blockchain and development of own blockchains. With this acquisition, Ambipar acquires the expertise of developing technological solutions via blockchain, which will be used to track waste and its entire chain, from generation and movement, to valorization, thus following its trajectory within the circular economy and bringing transparency, governance, safety, compliance and reliability to the process, through the product "Genie Tracking"

- III. MCZ Soluções Ambientais: It operates in waste management, exclusively in private operations. This acquisition expands the Company's presence in the Northeast region (AL) and strengthens the leadership position in the offer of solutions for total waste management and recovery
- IV. Ecológica Resíduos Industriais: It is part of the Ecological Northeast group, a company acquired 100% by Ambipar in June 2021. This acquisition allows Ambipar: (i) to expand the scope of the contract for the supply of processed waste as raw material for cement plants; (ii) generate synergies in the recovery of waste; (iii) expand the Company's presence in the Northeast region and (iv) strengthen its leadership position in offering solutions for total waste management
- V. WATU: VG through this acquisition seeks to maintain excellence in consulting solutions related to ESG pillars, such as: production of Sustainability Report, ESG Strategic Positioning design, Dialogued Sustainability Inclusion projects in the Management System, Stakeholder Engagement Planning projects, offer of ESG mentoring for higher leaderships, design of ESG Materiality Matrix, Vision 2030 design, Sustainability Maturity Analysis project, support on projects to the design of Sustainability Indexes, realization of Sector Benchmark and support to Sustainability Projects to meet Strategic Objectives.
- VI. Ecotec: with 13 years since its foundation, Ecotec offers industrial waste management with operation in the state of Paraíba

Consolidated gross revenue for 2021 was R\$ 2,198 million, compared to R\$ 800 million in 2020, which represents an increase of 175%. In 4Q21 revenue was 783 million, compared with R\$ 256 million in 4Q20, which represents a record 206% increase for the periods analyzed. This growth is the result of Response's scale gain, with new bases and increased capillarity of emergency care and an increase in the supply of services by Environment.

In 2021, consolidated EBITDA was R\$ 517 million, compared to consolidated EBITDA of R\$ 198 million in 2020, which represents an increase of 162%. In 4Q21 EBITDA was R\$ 186 million, compared to EBITDA of R\$ 63.7 million in 4Q20, which represents an increase of 192%. It is worth mentioning the increase in margin in 4Q21 to 27.3%, which in relation to 3Q21 represents an increase of 1.1 p.p., this gain is substantially a result of the capture of synergies of acquisitions made in the period, mainly that of the GVR and Post consumption platforms.

In 2022 we see a challenging macroeconomic scenario, but Ambipar has the capacity and resilience to deliver strong results. At the beginning of the year, we issued debentures to be prepared to execute new investments, be they strategic acquisitions that bring greater operational scale both in Brazil and abroad, or organic, such as the GIRI project in Chile, new business fronts related to the theme ESG, always focusing on creating value for all stakeholders.

Thank you all.

Thiago da Costa Silva
Chief Financial and Investor Relations Officer

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1. COMPANY PROFILE

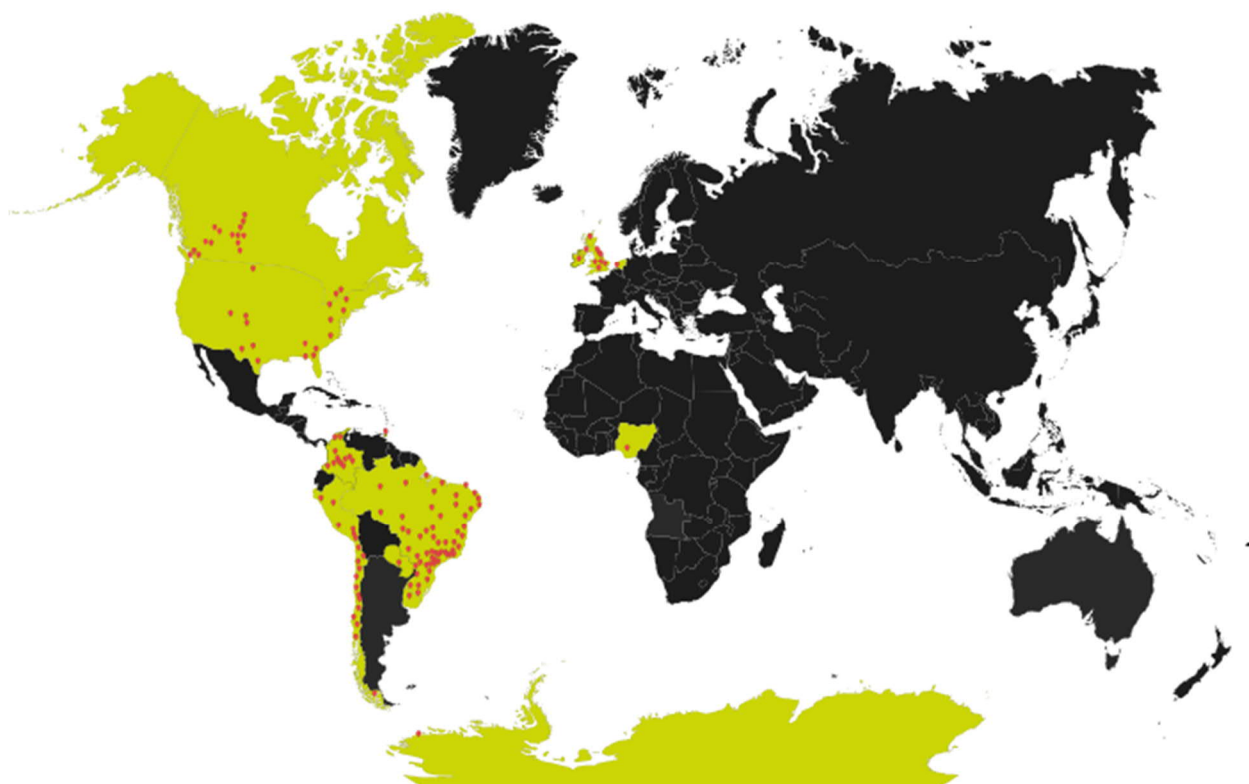
The Ambipar Group was founded in 1995 and as a result of its growth in 2010, Ambipar Participações e Empreendimentos S.A. ("Companhia" or "Ambipar"), the current leader in environmental management, based in the city of São Paulo, was created. Ambipar tem aims to act as a holding company, controlling equity interests. Formed by two segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working the ESG pillars ("Environment, Social and Governance") within its business and supporting its customers.

In the Environment segment, the Company operates in total waste management, focusing on recovery, under the concept of circular economy, especially in the treatment, reuse, repair, and recycling of materials. In Response, Ambipar acts in responding to accidents with chemicals and pollutants; in firefighting; in environmental emergencies on highways, railways, airports, ports, industries, mining, and pipelines; and in natural disasters. In 2020, faced with the new reality established by the Covid-19 pandemic, we included solutions for disinfecting environments for virus containment in the portfolio. Thus, the business is structured in two segments synergistically and to provide them with innovative technology and solutions, we maintain a Research, Development, and Innovation Center (PD&I).

Ambipar went public on July 13, 2020, being the first environmental management company to enter B3: Brasil, Bolsa, Balcão, in the Novo Mercado segment. In the operation, R\$ 1.1 billion was raised to execute the Company's growth and expansion plan.

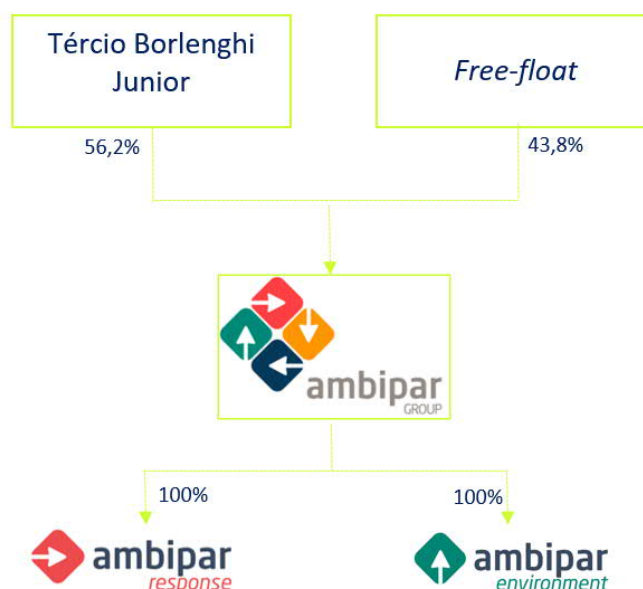
Locations

16 Countries, + 350 Bases: Angola, Brasil, Canada, Chile, Colombia, Scotland, United States, Holland, England, North Ireland, Wales, Paraguay, Peru, Trinidad and Tobago and Uruguay



1.1. SHAREHOLDER COMPOSITION

After the initial offer of shares (IPO), in July 2020, Ambipar began to trade the common shares by the ticker AMBP3 on the São Paulo Stock Exchange (B3), listed on the Novo Mercado, a listing segment that leads to the highest standard of corporate governance. Below we demonstrate the company's shareholding composition as of December 31, 2021:



Free-float: Includes 5,0% of shareholding held by other members of the Control Group

1.2. BUSINESS OPERATIONS

1.2.1 ENVIRONMENT

A pioneer in environmental solutions, Ambipar Environment operates throughout the national territory and Latin America, offering integrated solutions for the entire business chain. With the principles of the circular economy, Ambipar incorporates waste into production processes, reducing the use of natural resources and financial costs, focusing on the stay of the business, and supporting its customers with full engagement and improvement in its ESG (Environmental, Social and corporate Governance) indicators. Below we highlight the business lines of the Environment segment:

- 1) Total Waste Management and Recovery ("TWMR"): Minimize environmental impacts through integrated solutions focused on zero landfill policy, following the principles of circular economy provided for in the National Solid Waste Policy ("NSWP").
 - Waste Treatment
 - Waste recovery
 - Collection and transportation of waste
 - Coprocessing
 - Research, Development & Innovation (RD&I)
 - Environmental Engineering

- 2) Reverse and Post-Consumption Logistics: Projects dedicated to industries, management entities and their programs to meet the Terms of Commitment and Sector Agreements provided for in the National Solid Waste Policy. The projects are prepared in a personalized way according to the operation of the client, with the availability of collectors for packaging, collection, and recovery of waste. We operate with reverse logistics of waste such as: post-consumption packaging, Pharmaceuticals and Electronics. Ambipar ensures traceability of its customers' entire reverse chain and brand protection.

In the second quarter of 2021 Ambipar acquired Boomera, a reference company in reverse logistics and circular economy, which helps industries find various ways to face the production of consumer goods and consume. Boomera develops projects that transform plastic waste from waste pickers' cooperatives into recycled, high-performance and scale plastic resins.

Boomera also works with the transformation of laminated packaging difficult to recyclability (seasoning sachets, atomeed sauces, among others) into household products with design and expansion of its useful life, which was garbage, is now a utility for people's homes. We also invest in projects with waste pickers' cooperatives.

Also, to complement the post-consumer business, we acquired Drypol and Triciclo, companies specialized in the production of recycled PET packaging, and creation of technological solutions for reverse logistics of solid waste, respectively.

Triciclo pioneered the creation of a waste monetization system linked to a benefits, loyalty, gamification, marketing, and real-time control program. We have in our portfolio three types of digital ecopoints that today are national references, where everyone grants the end user a cashback for the use of credits in public transport, discounts on energy bills, access to culture, among other benefits.

Additionally, we announced the acquisition of Brasil Coleta, which enhanced access to post-industry waste and recyclable materials to the business unit. In addition, its industrial plants, located in the states of São Paulo and Amazonas, are designed for processing large volumes, which enables reduction of logistics and operational costs.

Carbon Credits: By the nature of our activities, we are carbon credit generators through: (a) waste recovery processes, with the creation of products that reduce carbon emissions; (b) recycling or reuse of waste as raw material to the production chain (Circular Economy/Reverse Logistics); (c) replacement of energy matrix in coprocessing plants; or (d) Nature-Based Solutions.

As a strategy in the carbon business line, we acquired in 3Q21 Biofilica, a Brazilian company focused on the conservation of native forests from the commercialization of environmental services and carbon credits. Biofilica started 2021 the commercialization of the carbon credits of the REDD+ Jari Pará and REDD+ Maisa Projects and sales of the REDD+ Maisa Project were finalized in May 2021 and Jari Pará is ending its sales cycle. In addition, in order to meet and address the growing market demand for carbon credits in the voluntary market, in 2021 Biofilica structured the sourcing operation (origination) and intermediation of carbon credits of third and outside forest projects. The strategy comes online diversification of the products offered with more competitive prices to better serve customers.

Ambipar pioneered the launch of Ambify's blockchain-based platform, which allows the carbon footprint of individuals or companies directly from the app to be offset. Through certain assumptions about routine or consumption, the responsible person can buy Ambify tokens, which represent carbon credits issued, and thus carry out compensation. The plan is to make this initiative increasingly accessible to all stakeholders, and so more and more people realize the importance and value that compensation and end up adhering to the use of the application.

- 3) Other solutions: Through the provision of consulting and auditing services in compliance, we promote the safety of our clients' operations and help prevent them from suffering penalties or fines due to Brazilian socio-environmental legislation that has occurred on their respective activities. By offering solutions in the integrated management segment focused on ESG, as well as software and training aimed at the professionalization of the ESG market, we help our clients implement a sustainability agenda and validate their sustainable actions.

¹ National Solid Waste Policy – Law nº 12.305 12 of August of 2010

1.2.2 RESPONSE

Ambipar Response operates in **Brazil**, Latin America, North America, Africa, and Europe in the emergency care segment involving chemical and polluting accidents, firefighting, training, and industrial services. It specializes in crisis management and emergency care that affect health, the environment and heritage. The performance is done by its own team with bases around the world and service 24 hours a day, every day of the year.

Ambipar Response has a fully automated Emergency Control and Management Center (CECOE), which supports field operations. Ambipar Response has one of the largest and most complete multimodal training camps with dangerous products in Latin America located in the municipality of Nova Odessa, in the State of São Paulo, in addition to 3 training units located in Chile, Peru and the United States. Below we highlight the lines of action of the Response segment:

1) Accident prevention: Preparation of engineering studies to prevent accidents in the different modes of transport, industrial plants, dams, and port terminals. The works are elaborated under a robust geoprocessing platform, with the use of geographic information systems (GIS) and webmapping.

2) Training: Portfolio with several types of training focused on specialization in emergency care, prevention of occupational risks and occupational safety.

3) Emergency responses: Crisis management and emergency care involving accidents with chemicals and pollutants that affect health, environment, and heritage. Ambipar operates in the response to environmental emergencies that occurred in highways, railways, airports, ports, port terminals, industries, mining companies and pipelines. Operational bases are strategically distributed in South America, North America, Europe, Africa and Antarctica to provide the best crisis management service.

4) Disinfection of Environments: It is an efficient measure to end viruses, bacteria, fungi and ensure the protection of people who use the protected site.

5) Industrial Services: Modern equipment with aggregate technology for the performance of cleaning services, mechanized or manual, transfer between tanks, decommissioning, demolition, and remediation of soil.

6) Firefighting equipment: Fight industrial fires with the best equipment in the world and the specialized labor reach Brazil jointly in any emergency situation.

2. FINANCIAL RESULTS

2.1 Gross and Net Revenue

Consolidated gross operating revenue reached R\$ 783 million in 4Q21, an increase of 206% over the same period in 2020. In the year, consolidated gross revenue recorded R\$ 2,198 million, 175% above the same period in 2020.

Consolidated Revenue (BRL million)	4Q20	3Q21	4Q21	Δ% 4Q21 vs. 4 Q20	Δ% 4T21 vs. 3T21	2020	2021	Δ% 2021 vs. 2020
Gross Revenue	256,1	708,8	782,6	206%	10%	800,4	2.197,5	175%
Environment	123,6	446,4	501,0	306%	12%	391,4	1.276,8	226%
Total Waste Management	66,8	275,5	297,4	345,1%	8%	223,4	792,1	255%
Post consumption	4,0	57,4	76,0	1824,3%	32%	10,0	137,0	1266%
Carbon	0,0	3,4	8,3	n/a	144%	0,0	11,7	n/a
Others	52,8	110,1	119,4	126,1%	8%	158,0	336,0	113%
Response	132,5	262,4	281,5	112,5%	7%	409,0	920,6	125%
Brasil	53,8	82,2	77,1	43,4%	-6%	180,1	288,9	60%
Internacional	78,7	180,2	204,4	159,6%	13%	228,9	631,7	176%
LatAm (Ex Brasil)	31,0	47,7	50,1	61,7%	5%	124,9	170,5	36%
Reino Unido	8,7	50,1	48,1	451,8%	-4%	34,8	163,8	371%
Estados Unidos e Canadá	39,0	82,4	106,2	172,0%	29%	69,1	297,4	330%
Consolidated Deductions	(30,1)	(92,7)	(100,8)	235%	9%	(98,8)	(281,1)	185%
Consolidated Net Revenue	226,0	616,0	681,8	202%	11%	701,6	1.916,3	173%
Environment	106,3	382,6	426,2	301%	11%	336,4	1.092,8	225%
Response	119,7	233,4	255,6	114%	9%	365,2	823,6	126%

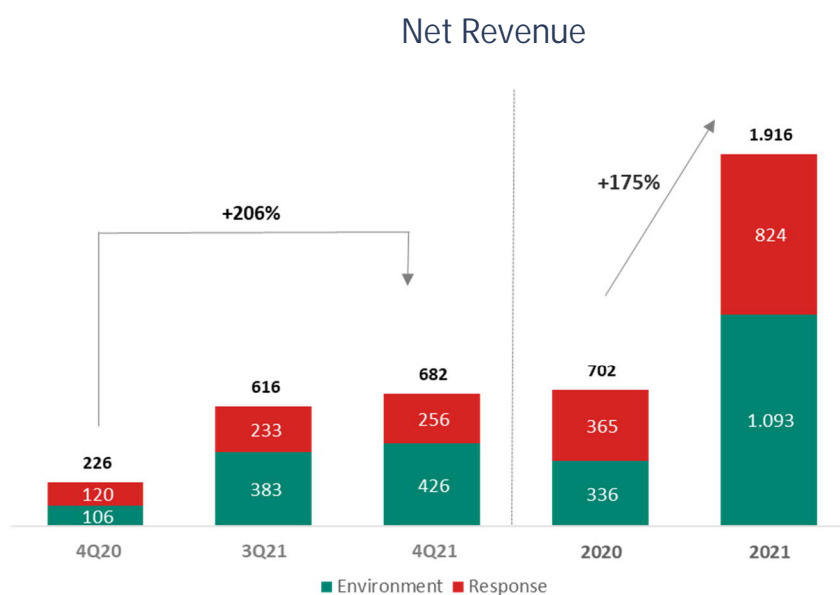
The perceived increase in the quarterly comparison is due to the organic growth of the period, with emphasis on:

Environment: the increase in margin in 4Q21 to 27.3%, which in relation to 3Q21, an increase of 1.1 p.p., resulting from the capture of synergies of acquisitions made in the period, mainly that of the TWM and Post-consumption platforms.

Response: highlight the growth of gross revenue, mainly in the international market, mainly in North America. At the end of 4Q21, 73% of Response's gross revenue was generated in the foreign market.

Gross revenue deductions refer substantially to PIS/COFINS and ISS taxes and reached R\$ 101 million in 4Q21 and R\$281 million in 2021, an increase that accompanies revenue growth. Thus, consolidated net revenue totaled R\$ 682 million in 4Q21 and R\$ 1,916 million in 2021, as shown below.

(R\$ Million)



2.2 COSTS AND EXPENSES

Consolidated costs reached R\$ 452 million in 4Q21 and R\$ 1,295 million in 2021. The Company's new cost level reflects Ambipar Group's growth strategy through acquisitions (M&A).

General and administrative expenses totaled R\$ 44 million in 4Q21 and R\$ 104 million in the 2021 period. As a result, the total costs and expenses of 4Q21 reached R\$ 496 million in the fourth quarter of 2021 and R\$ 1,400 million in 2021. Below we highlight the main variations:

COGS and SG&A (BRL million)	4Q20			3Q21			4Q21			Δ% 4Q21 vs. 4Q 20	Δ% 4Q21 vs. 3Q21
COGS and SG&A (BRL million)	Environment	Response	Total	Environment	Response	Total	Environment	Response	Total	Total	Total
Personnel	(38,3)	(51,5)	(89,8)	(137,8)	(91,3)	(229,1)	(154,7)	(96,4)	(251,1)	179,7%	9,6%
Third-party services	(10,7)	(11,9)	(22,7)	(49,7)	(28,8)	(78,5)	(53,9)	(27,7)	(81,7)	260,6%	4,0%
Maintenance	(4,1)	(1,2)	(5,4)	(30,3)	(4,5)	(34,8)	(27,6)	(6,2)	(33,9)	529,7%	-2,7%
Fuel	(4,5)	(0,8)	(5,3)	(11,8)	(6,6)	(18,4)	(15,1)	(9,0)	(24,1)	351,1%	30,7%
Freight	(4,9)	(1,3)	(6,1)	(6,8)	(0,8)	(7,6)	(5,2)	(0,9)	(6,0)	-1,8%	-20,6%
Materials	(0,5)	(1,3)	(1,8)	(3,3)	(3,2)	(6,4)	(3,3)	(3,5)	(6,8)	279,1%	5,5%
Rents	0,2	(2,7)	(2,5)	(1,6)	(7,2)	(8,9)	(1,9)	(7,1)	(9,0)	262,4%	1,4%
Others	(10,5)	(8,2)	(18,8)	(17,6)	(17,1)	(34,7)	(15,2)	(24,5)	(39,7)	111,9%	14,4%
Total COGS	- 73,4	- 78,9	- 152,3	- 259,0	- 159,4	- 418,5	- 277,0	- 175,3	- 452,3	196,9%	8,1%
SG&A	- 4,0	- 5,9	- 9,9	- 29,8	- 6,6	- 36,4	- 37,2	- 6,3	- 43,6	339%	20%
Total of COGS and SG&A	- 77,4	- 84,9	- 162,3	- 288,8	- 166,1	- 454,9	- 314,2	- 181,7	- 495,9	206%	9%

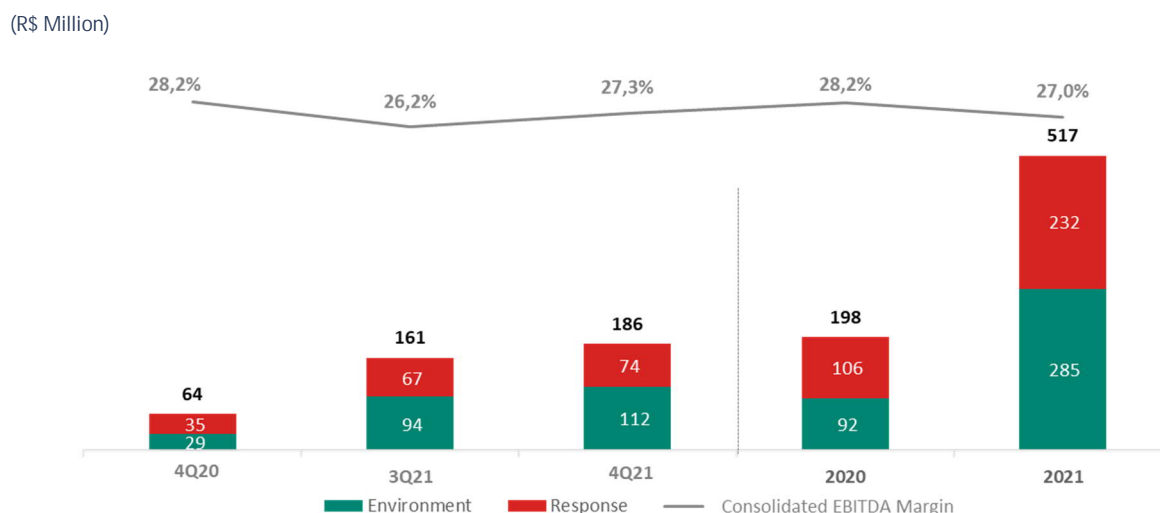
COGS and SG&A (BRL million)	2020			2021			Δ% 2021 vs. 2020
COGS and SG&A (BRL million)	Environment	Response	Total	Environment	Response	Total	Total
Personnel	(125,7)	(154,4)	(280,1)	(394,4)	(318,1)	(712,5)	154,4%
Third-party services	(27,6)	(29,3)	(56,8)	(131,0)	(89,7)	(220,7)	288,3%
Maintenance	(14,8)	(3,6)	(18,4)	(72,9)	(24,3)	(97,2)	429,1%
Fuel	(16,6)	(1,8)	(18,4)	(40,9)	(24,7)	(65,6)	256,6%
Freight	(18,0)	(2,0)	(19,9)	(23,3)	(2,7)	(26,0)	30,4%
Materials	(1,8)	(3,7)	(5,5)	(8,5)	(10,3)	(18,7)	238,3%
Rents	(0,2)	(8,3)	(8,4)	(4,6)	(26,8)	(31,5)	274,1%
Others	(27,7)	(37,6)	(65,3)	(55,6)	(67,7)	(123,3)	88,8%
Total COGS	- 232,3	- 240,6	- 472,9	- 731,1	- 564,4	- 1.295,5	173,9%
SG&A	- 12,2	- 19,0	- 31,2	- 77,1	- 26,8	- 103,9	234%
Total of COGS and SG&A	- 244,5	- 259,5	- 504,1	- 808,2	- 591,2	- 1.399,4	178%

2.3 EBITDA and EBITDA MARGIN

Consolidated EBITDA for 4Q21 reached R\$186 million and consolidated EBITDA margin of 27.3% increased by R\$ 122 million compared to 4Q20.

In 2021, EBITDA reached R\$ 517 million and a margin of 27.0%, R\$ 319 million increase over 2020.

As previously noted, 4Q21 showed a significant increase in EBITDA margin compared to 3Q21, mainly in Environment, which had been impacted by Disal's acquisition. In the consolidated quarter, the margin increase was 1.1 p.p., in the Environment this increase of 1.7 p.p., while in Response the margin remained constant. The increase in Environment reflects the capture of operational synergies from acquisitions made throughout the year.



EBITDA Margin	4Q20	3Q21	4Q21	2Q20	2Q21
Response	29,1%	28,8%	28,9%	28,9%	28,2%
Environment	27,2%	24,5%	26,3%	27,3%	26,0%

2.4 FINANCIAL RESULT

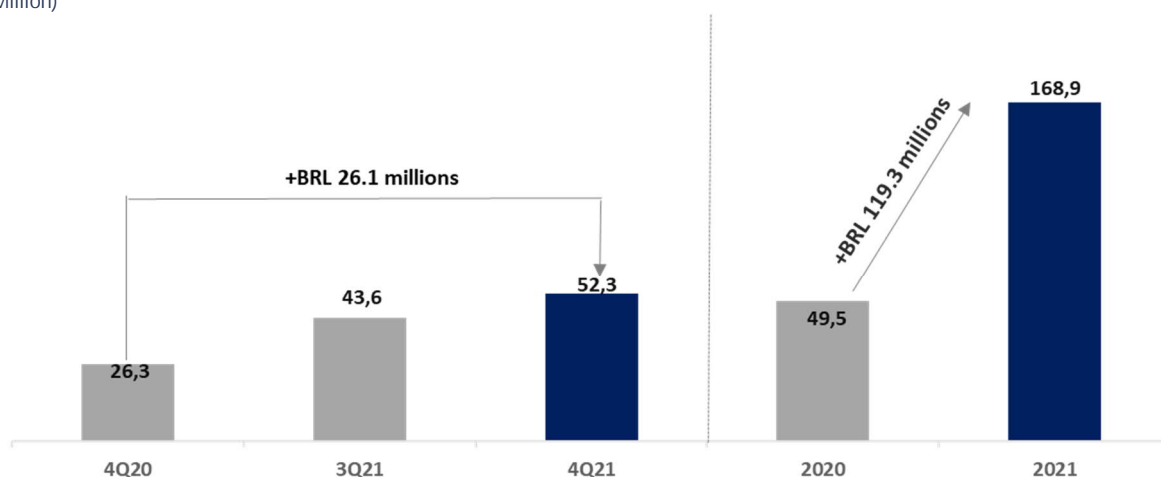
Net financial results recorded an expense of R\$ 68 million in 4Q21, an increase of 34% over the same period in 3Q21. The increase in financial expenses is mainly due to the higher level of indebtedness of the Ambipar Group at the end of 2021, of R\$ 2.7 billion, combined with the increase in the CDI in the period, a burden that remunerates the Gross Indebtedness of the Company.

Consolidated Financial Result (BRL millions)	4Q20	3Q21	4Q21	Δ% 4Q21 vs. 4Q20	Δ% 4Q21 vs. 3Q21	2020	2021	Δ% 2021 vs. 2020
Financial expenses	(11,4)	(50,9)	(68,3)	501%	34%	(69,2)	(144,4)	109%
Financial income	6,0	8,2	14,1	134%	72%	14,6	38,3	162%
Net financial result	(5,3)	(42,7)	(54,2)	917%	27%	(54,6)	(106,1)	94%

2.5 NET PROFIT

Net income recorded in 4Q21 was R\$ 52.3 million. Net income in 2021 was driven by better EBITDA, as shown above and reached R\$168.9 million.

(R\$ Million)



2.6 INDEBTEDNESS

As of December 31, 2021, gross debt reached R\$ 2.7 billion, an increase of R\$ 2.5 billion over the balance of December 30, 2020, mainly: (i) by the capitation of R\$ 450 million of working capital at an average CDI rate + 2.75% p.a.; (ii) by the issue, in June 2021, debentures in the amount of R\$ 900 million at a cost of CDI + 2.85% p.a. for acquisition corresponding to 100% of the share capital of Disal Ambiental and 50% of the share capital of Suatrans Chile and (iii) for the 2nd issuance of debentures of R\$ 500 million at a cost of CDI + 2.75% p.a.. The cash and cash equivalents position at the end of 2021 was R\$ 793 million and net debt of R\$ 1.9 billion.

Debt (BRL million)	12/31/2021	12/31/2020
Gross Debt	2.667,7	207,1
Short-term Debt	342,1	44,9
Long-term Debt	2.325,6	162,3
Availabilities	793,2	591,6
Net Debt	1.874,4	(384,5)
EBITDA LTM ⁽¹⁾	743,6	197,6
Debt/EBITDA ratio(x)	2,5	

(1) 4Q21 annualized EBITDA

2.7 ROIC (Return on Invested Capital)

Below we demonstrate the calculation of ROIC by period:

Consolidates ROIC (BRL millions)	4Q20	3Q21	4Q21	Δ% 4Q21 vs.4Q20	Δ% 4Q21 vs.3Q21
Net Debt	(384,5)	1.534,5	1.874,4	-588%	22%
Equity	1.225,8	1.312,6	1.304,7	6%	-1%
Intangible	(392,1)	(1.858,5)	(2.004,1)	411%	8%
Capital employed	449,2	988,7	1.175,0	162%	19%
Average employed capital	445,8	963,0	1.081,8	143%	12%
EBIT	74,5	259,3	328,7	341%	27%
Taxes (30%)	(22,4)	(77,8)	(98,6)	341%	27%
NOPAT (LTM)	52,2	181,5	230,1	341%	27%
ROIC	11,7%	18,8%	21,3%	82%	13%

3. CAPEX

Capex for 4Q21 was R\$192 million, of which R\$168 million was in Environment and R\$24 million in Response. About R\$25 million of Environment was renovation and about R\$ 35 million anticipation of future purchases to avoid price adjustment of machines and equipment and to create buffer.

Consolidated CAPEX (BRL millions)	4Q20	3Q21	4Q21	Δ% 4Q21 vs. 4 Q20	Δ% 4Q21 vs. 3Q21	2020	2021	Δ% 2021 vs.2020
Environment	42,2	134,9	167,7	298%	24%	105,6	440,2	317%
Response	33,5	43,4	24,5	-27%	-44%	75,5	110,7	47%
Total	75,7	178,3	192,2	154%	8%	181,1	550,9	204%

4. ESG

Ambipar released in May 2021 its first Sustainability Report, where the conduction and elaboration of the materiality matrix was presented. Material issues were raised in accordance with the global reporting initiative ("GRI") standard guidelines.

The materiality process was elaborated through the analysis of sector studies and methodologies related to ESG ratings, national and international trends and their potential impacts on our business. The process also involved interviews with our main managers for the incorporation of the internal and strategic vision. Below are listed our material themes, correlated with the Sustainable Development Goals (SDGs). For the next report, we will revisit our materiality, identifying possible changes in the relevance of the themes.

TEMAS MATERIAIS	ODS RELACIONADOS
Relacionamento com stakeholders	  
Práticas trabalhistas	 
Gestão de Saúde e Segurança Ocupacional	  
Direitos Humanos: Políticas e violações	  
Governança Corporativa	
Tecnologia e inovação	
Sistema de Gestão e Política Ambiental	    

For more information, access our [Sustainability Report of 2020](#).

Sustainability is a value inserted in our culture and in our business. Thus, we always work respecting and valuing the environment and people, with a value proposition dedicated to the development of best corporate governance practices and generating shared value for all our stakeholders.

Below we highlight some actions in the ESG pillars (Environmental, Social and Governance), carried out in 2021 and, which will be widely presented in the Sustainability Report 2021.

ENVIRONMENTAL

Energy: Focused on improving our operational eco-efficiency and cleaner production, in 2021 we started the use of solar panels in the Nova Odessa Operational Complex (SP) and the Aracruz Resídui Treatment Center (TR) operational unit for photovoltaic power generation. At the Aracruz plant, power generation has already begun through the plates, and by September we generated 12767 kwh.

Water: We implemented in 2020 in the units of CTR Aracruz, CTR Guará and in the Operational Complex of Nova Odessa (SP) the rainwater collection systems, which is used for wetting gardens and cleaning the external patios, in addition to being used in the operations of the Response segment. In 2021 we captured 438.88 m³ of water and reused 190.68 m³ of this volume.

EcoHorta: We maintain in our Operational Complex of Nova Odessa (SP) EcoHorta, fertilized with Ecosolo, an organic compound developed and marketed by us. The harvest is carried out by the collaborators themselves who can bring vegetables, seasonings and herbs to their homes, in the action known as "Feirinha Ambipar". Our aim is to encourage healthy eating, and that employees can enjoy the organic products grown.

SOCIAL

Diversity and Inclusion: In the day-to-day of our operations, we seek to promote diversity, regardless of gender, race, ethnicity and sexual orientation. Together, the Human Resources, Supplies and Sustainability teams are mapping the company's current scenario in the diversity and inclusion issues thinking about goals and project development to increase diversity in the company. We value an attractive, inclusive and constantly evolving work environment of our practices for people management.

Conscious Capitalism: In the last quarter we associated ourselves with the Instituto Capitalismo Consciente, an organization that aims to transform the way of making investments and businesses in Brazil. It is an educational project, where it teaches those businesses are not restricted only to the generation of profit, income and jobs, but also to social welfare values.

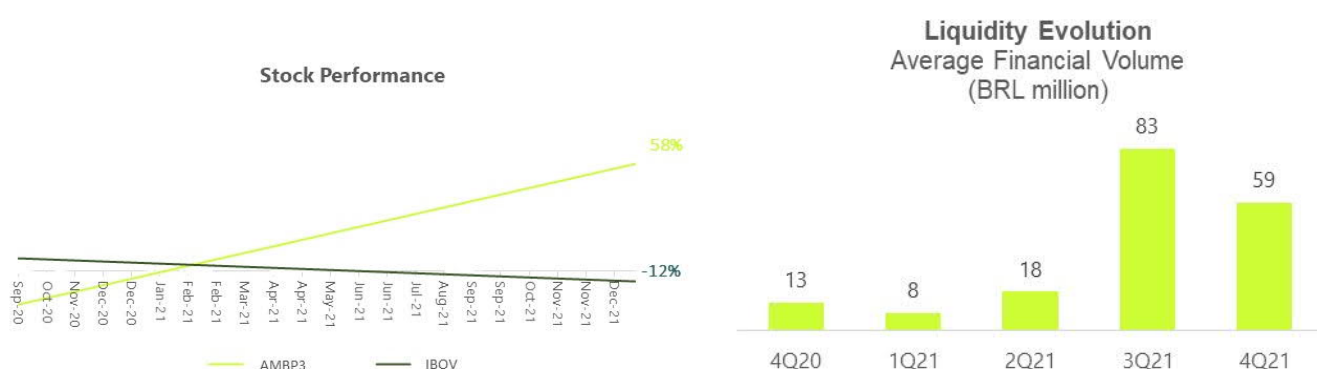
GOVERNANCE

Sustainability Committee: On July 27, the Company's Board of Directors approved the constitution of the Sustainability Committee. The committee is composed of 8 members and is attended by Gisele Bündchen. The main objective of the body is to advise the Board of Directors in the discussions of the issues related to the ESG agenda.

5. FINANCIAL MARKET

The Company has common shares (AMBP3) listed and traded daily in the Brasil, Bolsa, Balcão ("B3") and integrates, since July 13, 2020, the Novo Mercado, level with the highest standard of corporate governance in the market, valuing ethics and transparency in the relationship with shareholders and other stakeholders of Ambipar. AMBP3 integrates several indexes including the Corporate Governance Index, which lists companies with differentiated corporate governance standards and the Differentiated Tag Along index that offers the best conditions to minority shareholders. It also became part of ISE, B3's sustainability index.

At the end of 4Q21, the Company's shares were quoted at R\$42.18, an increase of 58% when compared to the end of 2020. Ambipar's market value as of December 31st, 2021, was R\$4.8 billion, compared to R\$3.0 billion at the end of 4Q20.



6. SUBSEQUENT EVENTS

3rd Issue of debentures

On January 10, 2022, Ambipar issued its 3rd debenture, in the amount of R\$ 750,000,000.00 (seven hundred and fifty million reais)

Giri Project

On January 20th, 2022, Ambipar, through Disal Ambiental Holding S.A., announced the start of construction of the GIRI project, located in Santiago, Chile.

The plant, which will be one of the most modern in Latin America, will classify, pre-treatment and preparation for recycling and recovery of waste, with processing capacity of 60,000 tons per year and a revenue potential of USD 8.0 million and an EBITDA margin potential of 70% per year. The total investment will be approximately USD 18 million, with the start of operations scheduled for January 2023

First Response Acquisition

On February 2nd, 2022, Ambipar announced the 100% acquisition of First Response ("First" through Ambipar Holding Canada. With services focused on British Columbia and Alberta through its eight bases in Canada, First specializes in environmental emergency care, focusing on fire, training, simulated, and outsourcing of firefighters and firefighting equipment. In 2021, it earned CAD 10.2 million, with EBITDA of CAD 2.1 million

1st Issue of simple debentures

On February 23rd, 2022, Ambipar, through its subsidiary Emergências Participações S.A., issued its 1st simple debenture, not convertible into shares, in the amount of R\$ 335,500,000.00 (three hundred and thirty-five million and five hundred thousand reais)

Acquisition of FOX Comércio de Aparas Ltda.

On February 24th, 2022, Ambipar, through its subsidiary Environmental ESG Participações S.A., announced the acquisition of 100% of FOX Comércio de Aparas Ltda. and FOX Indústria e Comércio de Plásticos Recicladados Ltda. ("FOX"). With more than 40 years in the waste management market, FOX specializes in the collection and commercialization of industrial waste and recyclable materials. With processing plants in Itu, Sorocaba and Jaguaré, in 2021 it recycled more than 51,000 tons of waste

Joint Venture between Biofíllica Ambipar Ambiental and British Petroleum.

On March 3rd, 2022, Ambipar, through its subsidiary Biofíllica Ambipar Ambiental S.A., announced that it has signed a Partnership Agreement with BP Carbon Trading Limited ("British Petroleum") with the aim of forming a Joint Venture to promote, develop and operate carbon offset projects for nature-based solutions (NBS) in Peru

7. SERVICES PROVIDED BY THE AUDITOR

The financial statements of the Company and its subsidiaries for the year ended December 31, 2021 were audited by BDO RCS Auditores Independentes S.S. In reference to Article 2 of CVM Instruction No. 381/03 and OFÍCIO-CIRCULAR/CVM/SEP/Nº01/2022, Ambipar informs that it has not contracted for provision, by the independent auditor or by related parties, any service that has not been external audit and assurance work.

The contracting of services not related to external audit with its independent auditors is based on principles that preserve the independence of these professionals. These principles, which follow internationally accepted guidelines, consist of: (a) the auditor should not audit his own work, (b) the auditor shall not perform managerial functions in his client and (c) the auditor shall not promote the interests of his client.

Pursuant to CVM instruction 480/09, management at a meeting held on 03/14/2022 declares that it discussed, reviewed and agreed with the information expressed in the audit report of the independent auditors on the individual and consolidated financial statements of December 31, 2021.

(a) the date of employment, the duration period, if more than one year, and the indication of the nature of each service provided:

Date of contract: 01/04/2021 for the audit period of the financial statements from 01/01/2021 to 12/31/2021.

b) the total amount of the fees contracted and their percentage in relation to the fees relating to those of external audit services:

R\$ 500,000.00 with taxes for external audit services.

c) the policy or procedures adopted by the Company to avoid the existence of a conflict of interest, loss of independence or objectivity of its independent auditors:

Unrestricted access to independent auditors to the Company's facilities, its employees and all information and documentation requested by those provided without any restriction.

d) a summary of the justification submitted by the auditor to the issuer's administration as to why it considered that the provision of other services did not affect the independence and objectivity necessary for the performance of external audit services (Article 3 of the Instruction):

No restriction verified by the Independent Auditor and which was manifested in its proposal at the time of the contract and its permanence, without conflicts, until the completion of the work.

8. APPENDICES

The Consolidated Fundamentals Spreadsheet, with historical data, can be accessed on the Investor Relations website. [Click here](#) to access.

8.1 Consolidated Balance Sheet (R\$ Million)

Balance Sheet		
Assets	4Q20	4Q21
Cash and equivalents	591,6	793,2
Receivables	217,9	540,0
Taxes recoverable	22,7	51,3
Other receivables	34,1	115,6
Current assets	866,3	1.500,2
Related parties	0,0	0,0
Receivables	4,5	9,1
Taxes recoverable	4,2	12,4
Deferred taxes	13,0	32,9
Judicial deposits	2,5	2,4
Other receivables	5,1	13,1
Investments	0,0	0,0
Fixed assets	356,5	1.287,2
Intangible assets	392,1	2.004,1
Non-current assets	777,9	3.361,2
Total assets	1.644,2	4.861,4
Liabilities		
Debt - ST	44,88	267,86
Debentures - ST	0,00	74,23
Payables	17,80	99,38
Salaries and labor benefits	26,80	69,03
Dividends payable	10,65	36,13
Taxes payable	18,81	68,68
Acquisition investment obligations	38,47	255,97
Leasing	7,65	26,24
Other	0,60	0,00
Current liabilities	165,6	897,5
Debt - LT	162,26	1.007,55
Debentures - LT	0,00	1.318,01
Related parties	0,00	0,00
Provision	2,58	2,33
Taxes payable	2,00	8,84
Differred taxes	14,00	159,90
Dividend payables	0,00	0,00
Acquisition investment obligations	51,26	112,51
Leasing	20,67	49,97
Other	0,00	0,00
Non-current liabilities	252,8	2.659,1
Capital stock	1.151,60	1.151,60
Retained earnings / (losses)	40,10	15,55
Legal reserves	10,07	10,07
Majority Shareholder's equity	1.201,8	1.177,2
Minority interest	23,97	127,50
Total equity	1.225,8	1.304,7
Liabilities and equity	1.644,2	4.861,4

8.2 Consolidated Income Statement (R\$ Million)

Ambipar Group	4Q20	3Q21	4Q21	2020	2021	2021 pro forma ¹
Gross revenue	256,1	708,7	782,6	800,4	2.197,5	3.130,2
Gross revenue - Environment	123,6	446,4	501,0	391,4	1.276,8	2.004,2
Gross revenue - Response	132,5	262,4	281,5	409,0	920,6	1.126,1
(+) Deductions	- 30,1	- 92,7	- 100,8	- 98,8	- 281,1	- 403,2
Deductions - Environment	- 17,3	- 63,8	- 74,8	- 55,0	- 184,1	- 299,3
Deductions - Response	- 12,8	- 29,0	- 26,0	- 43,8	- 97,1	- 103,8
(=) Net revenue	226,0	616,0	681,8	701,6	1.916,3	2.727,1
Environment	106,3	382,6	426,2	336,4	1.092,8	1.704,9
Response	119,7	233,4	255,6	365,2	823,6	1.022,2
(-) Cash COGS	- 152,3	- 418,5	- 452,3	- 472,9	- 1.295,5	- 1.809,2
Environment	- 73,4	- 259,0	- 277,0	- 232,3	- 731,1	- 1.107,8
Response	- 78,9	- 159,4	- 175,3	- 240,6	- 564,4	- 701,4
(-) Cash SG&A	- 9,9	- 36,4	- 43,6	- 31,2	- 103,9	- 174,3
Environment	- 4,0	- 29,8	- 37,2	- 12,2	- 77,1	- 149,0
Response	- 5,9	- 6,6	- 6,3	- 19,0	- 26,8	- 25,3
(=) EBITDA	63,7	161,1	185,9	197,6	516,9	743,6
Environment	28,9	93,8	112,0	91,9	284,6	448,0
Response	34,8	67,3	73,9	105,7	232,4	295,5
(-) Depreciation and amortization	- 19,4	- 59,8	- 72,1	- 68,4	- 188,2	- 288,5
(=) EBIT	44,4	101,4	113,8	129,1	328,7	455,1
(+) Net financial result	- 5,3	- 42,7	- 54,2	- 54,6	- 106,1	- 216,7
Financial expense	- 11,4	- 50,9	- 68,3	- 69,2	- 144,4	- 273,1
Financial income	6,0	8,2	14,1	14,6	38,3	56,4
(=) EBT	39,0	58,6	59,6	74,5	222,7	238,4
(-) Income taxes	- 12,7	- 15,0	- 7,2	- 25,0	- 53,8	- 29,0
(=) Net income	26,3	43,6	52,3	49,5	168,9	209,4

(1) 4Q21 annualized result

8.2 Income Statement RESPONSE

Income Statement (R\$ Million)	4Q20	3Q21	4Q21	2020	2021	2021 pro forma ¹
Gross Revenue	132,5	262,4	281,5	409,0	920,6	1.126,1
Brazil	53,8	82,2	77,1	180,1	288,9	308,4
International	78,7	180,2	204,4	228,9	631,7	817,7
LatAm (Ex Brazil)	31,0	47,7	50,1	124,9	170,5	200,3
UK	8,7	50,1	48,1	34,8	163,8	192,5
United States	39,0	82,4	106,2	69,1	297,4	424,9
Deductions	- 12,8	- 29,0	-26,0	- 43,8	-97,1	- 103,8
Net Revenue	119,7	233,4	255,6	365,2	823,6	1.022,2
Cash COGS	- 78,9	- 159,4	-175,3	- 240,6	-564,4	- 701,4
Personel	- 51,5	- 91,3	-96,4	- 154,4	-318,1	- 385,5
Third-party	- 11,9	- 28,8	-27,7	- 29,3	-89,7	- 111,0
Fuel	- 0,8	- 6,6	-9,0	- 1,8	-24,7	- 36,0
Freight	- 1,3	- 0,8	-0,9	- 2,0	-2,7	- 3,5
Maintenance	- 1,2	- 4,5	-6,2	- 3,6	-24,3	- 25,0
Taxes	- 0,8	- 3,6	-3,7	- 2,8	-10,1	- 14,6
Marketing	- 0,2	- 0,3	-1,5	- 4,6	-3,4	- 5,9
Materials	- 1,3	- 3,2	-3,5	- 3,7	-10,3	- 13,9
Telecommunications	- 0,4	- 0,5	-0,7	- 1,4	-2,0	- 2,9
Trips	- 2,3	- 3,8	-4,3	- 6,3	-12,6	- 17,0
Rent	- 2,7	- 7,2	-7,1	- 8,3	-26,8	- 28,5
Others	- 4,5	- 9,0	-14,4	- 22,5	-39,4	- 57,6
Cash SG&A	- 5,9	- 6,6	-6,3	- 19,0	-26,8	- 25,3
EBITDA	34,8	67,3	73,9	105,7	232,4	295,5
EBITDA Margin (%)	29%	29%	29%	29%	28%	29%

(1) 4Q21 annualized result

8.3 Income Statement ENVIRONMENT

Income Statement (R\$ Million)		4Q20	3Q21	4Q21	2020	2021	2021 pro forma ¹
Receita bruta	Gross Revenue	123,6	446,4	501,0	391,4	1.276,8	2.004,2
Gestão total de resíduos	Total Waste Management	66,8	275,5	297,4	223,4	792,1	1.189,4
Brasil	Brazil	66,8	171,0	177,2	223,4	567,5	708,9
Internacional	International	-	104,5	120,1	-	224,6	480,5
Pós consumo	Post Consumption	4,0	57,4	76,0	10,0	137,0	304,1
Crédito de Carbono	Carbon Credits	-	3,4	8,3	-	11,7	33,1
Outros	Others	52,8	110,1	119,4	158,0	336,0	477,5
Brasil	Brazil	52,8	59,4	70,6	158,0	236,6	282,6
Internacional	International	-	50,7	48,7	-	99,4	195,0
Deduções	Deductions	- 17,3	- 63,8	- 74,8	- 55,0	- 184,1	- 299,3
Receita líquida	Net Revenue	106,3	382,6	426,2	336,4	1.092,8	1.704,9
Custo do Serviço Prestado (Caixa)	Cash COGS	- 73,4	- 259,0	- 277,0	- 232,3	- 731,1	- 1.107,8
Pessoal	Personel	- 38,3	- 137,8	- 154,7	- 125,7	- 394,4	- 619,0
Terceiros	Third-party	- 10,7	- 49,7	- 53,9	- 27,6	- 131,0	- 215,7
Combustível	Fuel	- 4,5	- 11,8	- 15,1	- 16,6	- 40,9	- 60,4
Frete	Freight	- 4,9	- 6,8	- 5,2	- 18,0	- 23,3	- 20,6
Manutenção	Maintenance	- 4,1	- 30,3	- 27,6	- 14,8	- 72,9	- 110,5
Impostos	Taxes	- 1,0	- 3,1	- 1,4	- 3,6	- 7,6	- 5,8
Marketing	Marketing	- 0,5	- 4,1	- 2,7	- 1,4	- 9,1	- 10,9
Materiais	Materials	- 0,5	- 3,3	- 3,3	- 1,8	- 8,5	- 13,2
Telecomunicações	Telecommunications	- 0,4	- 0,6	- 0,7	- 1,4	- 2,2	- 2,8
Viagens	Trips	- 0,4	- 1,0	- 1,2	- 0,9	- 3,3	- 4,9
Aluguéis	Rent	- 0,2	- 1,6	- 1,9	- 0,2	- 4,6	- 7,4
Outros	Others	- 8,2	- 8,8	- 9,1	- 20,4	- 33,3	- 36,5
Despesas Gerais e Administrativas (Caixa)	Cash SG&A	- 4,0	- 29,8	- 37,2	- 12,2	- 77,1	- 149,0
EBITDA	EBITDA	28,9	93,8	112,0	91,9	284,6	448,0
Margem EBITDA (%)	EBITDA Margin (%)	27%	25%	26%	27%	26%	26%

(1) 4Q21 annualized result

INDEPENDENT AUDITORS' REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders, Board of Directors and Management of
Ambipar Participações e Empreendimentos S.A.
São Paulo - SP

Opinion in the individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Ambipar Participações e Empreendimentos S.A. ("Company"), identified as company and consolidated, respectively, which comprise the individual and consolidated statements of financial position as at December 31, 2021 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A. as at December 31, 2021, the individual and consolidated performance of its operations and cash flows for the year then ended according to Brazilian practices and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

Basis for opinion on the individual and consolidated financial statements

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the section below entitled "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our current year audit. These matters were dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on these individual and consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

Revenue Recognition - consolidated

As mentioned in Notes N° 2.19 and N° 18, the amount of net revenue in the consolidated is R\$ 1,916,332 thousand, which the revenue recognition involves controls with the objective of ensuring the integrity of the transaction records, conditioning the aspects of transferring risks and benefits linked to products and at the appropriate time when services are provided. provided and recognized by the client. Considering the volume of transactions involved, portfolio of services and products, geographical situation of logistics and customer service, the recognition of revenue involves a high dependence on the proper functioning of the internal controls determined by the Company and its subsidiaries. In this sense, based on the relevance of the dependence and functioning of the aforementioned controls, and the impact that any absence of functioning of these controls could have on the consolidated financial statements, we consider this matter to be significant for our audit.

Audit response on this matter

Our audit procedures included, among others:

- Evaluation of the internal controls of significant cycles related to the recognition of revenues, including: basis of contracts with customers in relation to the service to be provided and price negotiated; measurements related to services provided and product supply; checking of accounting records;
- Documentary testing, on a sample basis, of checking invoices with measurements of services performed;
- Integrity test of revenue database with accounting records;
- Tests related to manual entries made;
- Analytical procedures on revenue, considering: analysis of key business indicators, average term for receiving sales, alignment of expectations developed with what has been achieved; and
- Evaluation of the adequate disclosure of information in explanatory notes to the consolidated financial statements.

Based on the audit procedures performed in the revenue recognition processes of the Company and its subsidiaries, and the audit evidence obtained that support our tests, including our analysis and understanding, we believe that the recognition of the Company's revenue, as well as the respective disclosures in the explanatory notes, they are adequate, in the context of the consolidated financial statements, taken as a whole.

Intangible asset impairment assessment, especially for those with an indefinite useful life

As disclosed in note N° 9 to the individual and consolidated financial statements, the Company and controlled have intangible assets in the amount of R\$ 2,004,124 thousand as of December 31, 2021. Most of the rights involved are related to its business operations and include goodwill paid by expected future profitability, whose recoverable amount must be assessed annually, as required by Technical Pronouncement CPC 01(R1)/IAS36 - Reduction to the Recoverable Value of Assets. As mentioned in the aforementioned explanatory note, the Company and controlled performs an impairment test, which involves a high degree of judgment of estimates by the Management, based on the discounted cash flow method, which takes into account several assumptions, such as: discount, inflation projection, economic growth, among others. Therefore, this matter was considered by the audit as a risk area due to the uncertainties inherent in the process of determining the estimates and judgments involved in the preparation of future cash flows discounted to present value, such as market demand projections, operating margins and discount rates that could significantly change the expected realization of said assets.

Audit response on this matter

Our audit procedures included, among others:

- Assessment of internal or external signs that could bring evidence of the occurrence of devaluation of assets;
- Use of specialized professionals to assist in reviewing the impairment test of assets, evaluating the assumptions and methodology used by the Company's Management together with its external experts hired to prepare the analysis reports;
- Ongoing challenge of assumptions used by Management, aiming to corroborate if there would be inconsistent assumptions and/or that should be revised, such as: revenue growth, costs and expenses, and several other inflation and price indicators; and
- Assess whether the required disclosures in the individual and consolidated financial statements were appropriate;

Based on the procedures performed, we consider that the assumptions and methodologies used by the Company and controlled to assess the recoverable amount of said assets are reasonable, as well as the due disclosures, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Business combination

As disclosed in Notes Nº 2.23 and Nº 7.1, in 2021, some companies was acquired, which includes goodwill with expected future profitability, in the amount of R\$ 1,287,903 thousand (consolidated). The process of valuation and measurement of assets acquired and liabilities assumed at fair values and the determination of the acquisition price was carried out by the Company and controlled's Management and also involved the hiring of external specialist appraisers. We consider this matter as one of the main audit matters due to the inherent complexity of business combination processes, which involve determining the acquisition date, as well as identifying and determining the fair values of acquired assets, assumed liabilities and goodwill arising from negotiations.

Audit response on this matter

Our audit procedures included, among others:

- Reading of the contract and meeting minutes related to the acquisition, as well as obtaining evidence that supported the determination of the date of acquisition of control by the Company and controlled;
- Involvement of our specialists in business valuation to analyze the methodology used by external appraisers hired by the Company and controlled, to measure the fair value of acquired assets and assumed liabilities and assess the reasonableness of the assumptions used and calculations made comparing them, when available, with market information;
- Assessment of opening balances on the date control is acquired, as to whether the accounting practices adopted by the acquired company are consistent with accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB);
- Review of the calculation to determine the final goodwill calculated on the transactions; and
- Assessing the proper disclosure of information in the explanatory notes to the individual and consolidated financial statements.

Based on the result of the audit procedures on the business combination, which is consistent with the assessment made, we consider that the judgments and assumptions used by Management in the process of identifying and measuring the fair value of assets acquired and liabilities assumed in the business combination and the determination of goodwill with expectation of future recovery, are acceptable, as well as the respective disclosures in the explanatory notes, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Individual and consolidated statements of value added – additional information

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we assessed whether these statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of added value have been duly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's management is responsible for these others information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion on this report.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether that report is materially inconsistent with the individual and consolidated financial statements or with our knowledge obtained in the audit or, otherwise, appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. We have nothing to report on this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Brazilian accounting practices and with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its controlled companies or to cease operations, or has no realistic alternative but to do so.

Those charged with governance in the Company and in its controlled companies are responsible for overseeing the Company's financial reporting process that comprehend the Board of the Company and its controlled companies.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Campinas, March 14, 2022.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

A handwritten signature in blue ink, appearing to read "Esmir de Oliveira".

Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Balance sheet

As of December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

Assets						Liabilities and net equity					
	Note	Parenty Company		Consolidated			Note	Parenty Company		Consolidated	
		2021	2020	2021	2020			2021	2020	2021	2020
Current						Current					
Cash and cash equivalents	4	268,281	474,276	793,241	591,608	Loans and financing	10	20,000	-	267,862	44,876
Accounts receivable	5	-	-	540,021	217,917	Debentures	11	14,232	-	74,232	-
Recoverable taxes	6	4,603	485	51,297	22,687	Trade accounts payable	12	5,049	363	99,380	17,803
Prepaid expenses		3,433	1,640	24,711	6,692	Payroll and social charges payable		1,740	133	69,029	26,797
Dividends Receivable	15	33,691	-	-	-	Dividends Payable	15	34,239	10,646	36,133	10,646
Other accounts receivable		2,739	189	90,903	27,375	Taxes payable		790	888	68,684	18,812
		312,747	476,590	1,500,173	866,279	Obligations due to investment acquisition	7	8,590	1,500	255,965	38,467
						Lease liability	13	-	4,739	26,238	7,645
						Others accounts payable		-	-	-	603
								84,640	18,269	897,523	165,649
Noncurrent						Noncurrent					
Related-party	15	1,020,351	12,218	-	-	Loans and financing	10	-	-	1,007,551	162,260
Accounts receivable	5	-	-	9,129	4,489	Debentures	11	493,359	-	1,318,007	-
Recoverable taxes	6	359	20	12,407	4,202	Taxes payable		-	-	8,839	2,000
Deferred income tax and social contribution	21	-	-	32,876	12,999	Related-party	15	23,486	12,728	-	-
Court deposits	14	-	-	2,377	2,463	Provision for loss on investments	7	-	1,054	-	-
Other accounts receivable		-	-	13,071	5,094	Deferred income tax and social contribution	21	-	-	159,904	13,995
						Obligations on account of investment acquisition	7	400	13,990	112,513	51,257
Investments in controlled companies	7	444,412	751,772	-	-	Provision for contingencies	14	-	-	2,327	2,579
Fixed assets	8	1,186	24,422	1,287,212	356,514	Lease liability	13	-	17,203	49,973	20,671
Intangible assets	9	58	-	2,004,124	392,121			517,245	44,975	2,659,114	252,762
		1,466,366	788,432	3,361,196	777,882						
						Net equity					
						Share capital	16	1,151,602	1,151,602	1,151,602	1,151,602
						Expenses for issuing shares		(107,937)	(107,937)	(107,937)	(107,937)
						Capital Transactions		(128,544)	(10,520)	(128,544)	(10,520)
						Profit reserves		267,781	157,857	267,781	157,857
						Accumulated Conversion Adjustment		(5,674)	10,776	(5,674)	10,776
						Attributable to controlling interest		1,177,228	1,201,778	1,177,228	1,201,778
						Non-controlling interest		-	-	127,504	23,972
								1,177,228	1,201,778	1,304,732	1,225,750
Total assets		1,779,113	1,265,022	4,861,369	1,644,161	Total liabilities and equity		1,779,113	1,265,022	4,861,369	1,644,161

Management's explanatory notes are an integral part of the individual and consolidated financial statements

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Income Statements

Years ended December 31, 2021 and 2020

(Amounts expressed in thousands of Brazilian Reals, except earnings per share)

	Note	Parenty Company		Consolidated	
		2021	2020	2021	2020
Net operating revenue	18	-	-	1,916,332	701,612
Cost of services rendered	19	-	-	(1,499,772)	(542,819)
Gross Profit		-	-	416,560	158,793
Operating (expenses)/revenues					
General, administrative and selling	19	-	(12,306)	(103,891)	(31,151)
Equity in earnings of controlled companies	7	145,960	76,809	-	-
Other operating revenues/(expenses), net	19	-	810	16,073	1,484
		145,960	65,313	(87,818)	(29,667)
Operating income before financial income		145,960	65,313	328,742	129,126
Financial results					
Financial expenses	20	(17,193)	(26,288)	(144,351)	(69,217)
Financial income	20	15,396	5,799	38,275	14,595
		(1,797)	(20,489)	(106,076)	(54,622)
Net income before income and social contribution taxes		144,163	44,824	222,666	74,504
Current income tax and social contribution	21	-	-	(47,055)	(12,421)
Income tax and social contribution - Deferred	21	-	-	(6,740)	(12,560)
Income for the year		144,163	44,824	168,871	49,523
Attributable to					
Controlling interest				144,163	44,824
Non-controlling interest				24,708	4,699
Number of shares at period end		112,935,588	112,935,588		
Earnings per share (basic and diluted) at the end of the period - in R\$		1.28	0.40		

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated statements of comprehensive income

Years ended December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Income for the year	144,163	44,824	168,871	49,523
Items that may affect results in subsequent periods:				
Equity Valuation Adjustment	-	(984)	-	(984)
Exchange Variation on Agio on an investee abroad	475	2,437	(2,349)	4,070
Accumulated Conversion Adjustment	(16,925) #	9,139	(14,661)	9,139
Other comprehensive results	<u>127,713</u>	<u>55,416</u>	<u>151,861</u>	<u>61,748</u>
Attributable to:				
Controlling interest	127,713	55,416	127,713	55,416
Non-controlling interest	-	-	24,148	6,332

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Demonstrações das mutações do patrimônio líquido
Years ended December 31, 2021 and 2020
(Values expressed in thousands of Brazilian Reais)

	Profit Reserves					Equity Valuation Adjustment	Accumulated Conversion Adjustment	Accumulated profits	Total assignable to controller	Participation of non- controlling shareholders	Total
	Share capital	Expenses on Issuance of Shares	Legal reserve	Unrealized profit reserve	Capital Transactions						
Balances on January 1, 2020	69,202	-	7,833	117,946	-	984	(800)	-	195,165	13,832	208,997
				#			#				
Capital increase	1,082,400	-	-	-	-	-	-	-	1,082,400	-	1,082,400
Expenses on issuance of shares	-	(107,937)	-	-	-	-	-	-	(107,937)	-	(107,937)
Profit Distribution - previous periods	-	-	-	(2,100)	-	-	-	-	(2,100)	-	(2,100)
Participation of non-controllers	-	-	-	-	-	-	-	-	-	5,441	5,441
Other Comprehensive Results	-	-	-	-	-	(984)	11,576	-	10,592	-	10,592
Variation in percentage of interest in subsidiary	-	-	-	-	(10,520)	-	-	-	(10,520)	-	(10,520)
Net income for the year	-	-	-	-	-	-	-	44,824	44,824	4,699	49,523
Profit destination											
Legal reserve	-	-	2,241	-	-	-	-	(2,241)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(10,646)	(10,646)	-	(10,646)
Unrealized profit reserve	-	-	-	31,937	-	-	-	(31,937)	-	-	-
On December 31, 2020	<u>1,151,602</u>	<u>(107,937)</u>	<u>10,074</u>	<u>147,783</u>	<u>(10,520)</u>	<u>-</u>	<u>10,776</u>	<u>-</u>	<u>1,201,778</u>	<u>23,972</u>	<u>1,225,750</u>
Balances on January 1, 2021	<u>1,151,602</u>	<u>(107,937)</u>	<u>10,074</u>	<u>147,783</u>	<u>(10,520)</u>	<u>-</u>	<u>10,776</u>	<u>-</u>	<u>1,201,778</u>	<u>23,972</u>	<u>1,225,750</u>
				#			#				
Expenses on issuance of shares	-	-	-	-	-	-	-	-	-	-	-
Participation of non-controllers	-	-	-	-	-	-	-	-	-	76,560	76,560
Other Comprehensive Results	-	-	-	-	-	-	(16,450)	-	(16,450)	2,264	(14,186)
Variation in percentage of interest in subsidiary	-	-	-	-	(118,024)	-	-	-	(118,024)	-	(118,024)
Net income for the year	-	-	-	-	-	-	-	144,163	144,163	24,708	168,871
Profit destination											
Legal reserve	-	-	7,208	-	-	-	-	(7,208)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(34,239)	(34,239)	-	(34,239)
Unrealized profit reserve	-	-	-	102,716	-	-	-	(102,716)	-	-	-
On December 31, 2021	<u>1,151,602</u>	<u>(107,937)</u>	<u>17,282</u>	<u>250,499</u>	<u>(128,544)</u>	<u>-</u>	<u>(5,674)</u>	<u>-</u>	<u>1,177,228</u>	<u>127,504</u>	<u>1,304,732</u>

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of cash flows

Years ended December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Income for the year	144,163	44,824	168,871	49,523
Adjustments to reconcile income to cash from (applied to) operations:				
Depreciation and amortization	-	3,449	188,195	68,428
Allowance for doubtful accounts	-	-	(905)	41
Residual value of disposed fixed and intangible assets	-	-	52,544	16,046
Provision for contingencies	-	-	(525)	(4,853)
Income tax and social contribution - Deferred	-	-	(6,740)	(12,560)
Equity in earnings of controlled companies	(145,960)	(76,809)	-	-
Realization of equity valuation adjustment	-	(984)	-	(984)
Interest on loans and financing, debentures, leases and exchange rate variation	14,463	9,754	102,936	24,121
Amortization on issuance of debentures	-	3,509	-	3,509
Changes in assets and liabilities				
Accounts receivable	-	-	(83,238)	(65,667)
Recoverable taxes	(4,457)	26	(20,872)	15,141
Prepaid expenses	(1,793)	(1,640)	(11,834)	(5,852)
Other accounts receivable	4,197	(186)	66,260	(6,844)
Court deposits	-	-	2,687	3,140
Trade accounts payable	4,686	363	(92,024)	(26,834)
Payroll and social charges	1,607	133	9,656	2,680
Taxes payable	(98)	888	(70,900)	12,528
Other accounts payable	-	-	(603)	(15,491)
Lease	-	-	-	-
Cash from (invested in) operations	16,808	(16,673)	303,508	56,072
Interest paid on loans and financing	-	(4,955)	(49,416)	(27,742)
Interest paid on debentures	-	(5,031)	(39,733)	(6,386)
Interest paid on leasing	(706)	-	(2,703)	-
Paid income tax and social contribution	-	-	(47,055)	(12,421)
Net cash from (invested in) operating activities	16,102	(26,659)	164,601	9,523
Cash flows from investing activities				
Cash spent on business acquisitions, net of cash received	-	(36,374)	(1,435,610)	(107,233)
Payment of obligations on account of acquisition of investments	(50,000)	-	(260,097)	-
Acquisition of property, plant and equipment and intangible assets	(279)	(2,886)	(140,790)	(89,308)
Net cash invested in investment activities	(50,279)	(39,260)	(1,836,497)	(196,541)
Cash flows from financing activities				
Attributed to shareholders				
Capital increase	-	1,082,400	-	1,082,400
Payment of expenses with issuance of shares	-	(107,937)	-	(107,937)
Profit Distribution - previous periods	(10,646)	(2,100)	(8,822)	(2,100)
Receipt of Dividends	311	-	-	-
Assigned to financing				
Related parts	(669,945)	(341,294)	-	(14,952)
Lease payments	(4,014)	(4,320)	(20,014)	(10,889)
Borrowings and financing	20,000	163,000	661,657	214,242
Debenture funding	500,000	-	1,400,000	-
Costs in raising debentures	(6,641)	-	(21,993)	-
Interest payments on loans and financing	(883)	(209,307)	(99,138)	(356,720)
Debenture payments	-	(100,000)	(19,831)	(106,160)
Net Increase in cash and cash equivalents	(171,818)	480,442	1,891,859	697,884
Increase (decrease) in cash and cash equivalents	(205,995)	414,523	219,963	510,866
Exchange variation of cash and cash equivalents	-	-	(18,330)	3,103
Cash and cash equivalents at beginning of period	474,276	59,753	591,608	77,639
Cash and cash equivalents at end of period	268,281	474,276	793,241	591,608

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Added Value Statements

On December 31, 2020 and 2019

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Revenues				
Sales of products, goods and services	-	-	2,177,887	786,885
Other revenues	-	-	19,572	13,522
Allowance for doubtful debts - reversal / (constitution)	-	-	(41)	132
	-	-	2,197,418	800,539
Inputs acquired from third parties				
Costs of products, goods and services sold, plus materials, energy, third party services and other	-	(8,745)	(707,850)	(227,534)
	-	(8,745)	(707,850)	(227,534)
Net value added generated	-	(8,745)	1,489,568	573,005
Depreciation, amortization and depletion, net	-	(3,449)	(188,195)	(68,428)
Net value added generated by the Company	-	(12,194)	1,301,373	504,577
Value added received in transfer				
Equity Income	145,960	76,809	-	-
Other income / recoveries	-	984	22,423	2,802
Financial income and monetary and exchange rate measures	15,396	5,799	38,275	14,595
	161,356	83,592	60,698	17,397
Total value added to be distributed	161,356	71,398	1,362,071	521,974
Payroll, charges and benefits				
Personnel, charges and benefits				
Direct compensation	-	-	547,666	205,816
Benefits	-	-	86,779	45,169
FGTS (Severance Pay Fund)	-	-	18,902	9,667
Taxes, fees and contributions				
Federal	467	639	343,790	118,716
State	-	-	27,303	10,374
Municipal	-	-	30,501	15,513
Return on debt capital				
Financial expenses, exchange rate gains (losses) and monetary changes	16,726	25,935	138,259	67,196
Return on equity capital				
Retained earnings for the period	144,163	44,824	144,163	44,824
Non-controlling interest in retained earnings	-	-	24,708	4,699
	161,356	71,398	1,362,071	521,974

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

1. General information

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar") is a publicly-held corporation headquartered in the city of São Paulo, at Avenida Pacaembu, 1,088. It was created on October 26, 2010 and its objective is to act as a holding company, controlling shareholdings. Formed by two reference segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working on the ESG ("Environment, Social and Governance") pillars within its businesses and supporting its customers.

With several environmental solutions developed through the RD&I (Research, Development and Innovation) sector, it has registered patents for sustainable products, promotes circular economy and assists companies with the correct disposal of their waste.

Ambipar went public on July 13, 2020. It was the first environmental management company to join B3, the Brazilian stock exchange, starting to trade its shares in the Novo Mercado corporate governance segment with stock ticker code AMBP3.

1.1. Ownership interest

The Company and its subsidiaries (jointly called "Ambipar Group") operate in the following business segments:

- Environment: pioneers in the entire chain of environmental services, from waste planning, management and recovery to project execution. Experienced in the development of technologies and constant innovation for the protection of the environment. Its operations are triple certified, according to environmental quality and occupational health and safety standards. In addition, it has in its portfolio consultancy and environmental audit, quality, health and safety services with the development of management software, ensuring effective compliance to its customers, relying on technology and artificial intelligence.
- Response: It acts in prevention, management and response to the emergency of accidents with dangerous or non-dangerous products in all modes of transport, with its own bases and presence in 16 countries in South America, Europe, Africa, North America and Antarctica. In addition, it provides industrial firefighters who work at customer facilities and has the largest and most complete training field in Latin America, training employees and customers with the most complete structure focused on emergency response and management in multimodal scenarios.

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- Outros: The Others segment comprises the Company and the company listed listed in the table in note 2.4.

As of December 31, 2021, the Company's shareholdings and their respective areas of operation are shown in note 2.4 "Basis of Consolidation".

1.2. Authorization to issue this individual and consolidated financial statements

The issuance of these individual and consolidated financial statements was authorized by the Board of Directors on March 14, 2022.

2. Summary of main accounting policies

2.1. Bases of preparation

The financial statements have been prepared and are presented in accordance with the Brazilian accounting practices, based on the provisions included in Brazilian Corporate Law, pronouncements, interpretations and guidelines issued by the Committee of Accounting Pronouncements (CPC), standards issued by the Brazilian Securities and Exchange Commission (CVM), and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and evidence all material information specific to the financial statements, which is consistent with the information used by Management. The Consolidated financial statements are identified as "Consolidated" and the Parent Company's Individual financial statements are identified as "Parent Company".

The Company's individual and consolidated financial statements are expressed in thousands of Brazilian reais ("R\$"). Additionally, disclosures of amounts in different currencies, when necessary, were also expressed in thousands. Items disclosed in Brazilian Reais are informed when applicable.

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty related to these assumptions and estimates may lead to results requiring significant adjustments to the book value of certain assets and liabilities in future years.

The Company's management states that all relevant information on the financial statements is being evidenced and corresponds to the information used by the Company's Management on its administration .

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The individual and consolidated financial statements were prepared considering the historical cost as a basis of value and certain assets and liabilities measured at fair value.

The accounting policies and calculation methods used in the preparation of these financial statements were the same adopted in the preparation of the Company's financial statements for the year ended December 31, 2020.

2.2. New or revised pronouncements applied for the first time in 2021

- a) Reform of the Reference Interest Rate - IBOR "phase 2" (Changes to the IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Reform of the Reference Interest Rate - IBOR "phase 2") - The amendments are mandatory for periods beginning on or after January 1, 2021, and clarify aspects related to the definition of the reference interest rate for application in these rules. No significant impact has been assessed by the Company.

- b) Impacts of COVID-19 on rental concessions (Amendments to IFRS 16)

As of June 1, 2020 (with further change to as of June 1, 2021), IFRS 16 has been amended to provide a practical expedient for lessees accounting for rental concessions received as a direct consequence of the COVID pandemic. -19 and satisfy all of the following conditions:

- i. The change in lease payments results in revised consideration for the lease that is substantially equal to or less than the consideration for the lease immediately prior to the change;
- ii. Any contract booking agreement reduction only those due on or before contract 30, 2021 (for example, an accrual benefit on a lease) on small lease packages on or before June 30, 2021 and on increased rent payments that are after June 30, 2021 (with the analysis extended to June 30, 2022);
- iii. There is no material change to other terms and conditions of the lease agreement.

Rental concessions that meet these criteria can be accounted for according to practical expedient, which means that the lessee does not assess whether the rental concession meets the definition of a lease modification.

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We chose not to use the practical expedient for all rental concessions that met these criteria.

The first adoption of IFRS 16/CPC 06 (R2) at January 1, 2019 generated the following accounting recognition:

	Value
Total assets non-current	6,030
Current liabilities	
Lease liabilities	2,276
Interest to be appropriated from lease agreements	(120)
Nom-current liabilities	
Lease liabilities	5,121
Interest to be appropriated from lease agreements	(1,247)
Total liabilities	6,030

The Company adopted the simplified retrospective model as permitted by the standard. Notes 8 (f) and 14 present the new information and breakdown of the balances as required by the new standard.

The discount rate used is 8% p.a. and corresponds to the average market cost of debt in the form of asset acquisition, in that occasion.

2.3. New standards, reviews and interpretations issued that were not yet in force on December 31, 2021

a) Onerous contracts - Cost of contract compliance (Amendments to IAS 37)

They apply to annual periods beginning on or after January 1, 2022 for contracts existing on the date the changes are first applied. The change specifically determines which costs should be considered when calculating the cost of fulfilling a contract. The Company does not expect significant impacts upon the adoption of this standard.

b) Other standards

For the following standards or changes, management has not yet determined whether there will be significant impacts on the Company's financial statements, namely :

- Change in the standard IAS 16 Property, plant and equipment - Classification of the result generated before the property, plant and equipment is in projected conditions of use. Clarifies aspects to be considered for the classification of items produced before the fixed asset is in the projected conditions of use. This standard change is effective for years beginning on or after January 1, 2022;

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- Annual improvements in IFRS Standards 2018-2020 effective for periods beginning on or after January 1, 2022. Makes changes to IFRS 1 standards, addressing aspects of first adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for the reversal of financial liabilities; IFRS 16, addressing illustrative examples of leasing and IAS 41, addressing aspects of measurement at fair value. These standard changes are effective for years beginning on or after January 1, 2022;
- Amendment to IFRS 3 - includes conceptual alignments of this standard with the conceptual structure of IFRS. The amendments to IFRS 3 are effective for periods beginning on or after 1 January 2022;
- Amendment to IAS 8 - changes the definition of accounting estimate, which is now considered as "monetary values in the financial statements subject to measurement uncertainty", effective for periods beginning on or after 01/01/2023;
- Amendment to IAS 12 - brings an additional exception to the exemption from initial recognition of deferred tax related to assets and liabilities resulting from a single transaction, effective for periods beginning on or after 01/01/2023;
- Amendment to IFRS 17 - includes clarification of aspects related to insurance contracts. Amendment to IFRS 17 effective for periods beginning on or after 1 January 2023;
- Amendment to IFRS 17 - includes clarification of aspects related to insurance contracts. Amendment to IFRS 17 effective for periods beginning on or after 1 January 2023; and
- Amendment to IAS 1 - Classification of liabilities as Current or Non-current. This amendment clarifies aspects to be considered for the classification of liabilities as current and non-current. Amendment to IAS 1 effective for periods beginning on or after 1 January 2023. In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether a liability is classified as current or non-current. These amendments clarify that the current classification is based on whether an entity has the right at the end of the reporting period to defer settlement of liability for at least twelve months after the reporting period. The amendments also clarify that the "agreement" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer cash, goods, services or equity instruments arises from a conversion facility classified as an equity instrument. separately from the liability component of a compound financial instrument. The changes were originally effective for annual reports beginning on or after January 1, 2022. However, in May 2020, the effective date was deferred for annual reporting periods beginning on January 1, 2023.

The Company is currently evaluating the impact of these new standards and accounting changes. The Company will assess the impact of the final amendments to IAS 1 on the classification of its liabilities as they are issued by the IASB. The Group does not believe that the amendments to IAS 1, in its current form, will have a significant impact on the classification of its liabilities, as the conversion facility in its convertible debt instruments is classified as an equity instrument and, therefore, is not affects the classification of your convertible debt as a non-current liability.

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in effect that the Company and its subsidiaries expect to have a material impact from their application in their individual and consolidated financial statements.

2.4. Consolidation basis

Subsidiary is an entity, including an entity not constituted in the form of a company such as a partnership, in which the controlling company, directly or through other subsidiaries, holds shareholder rights that permanently ensure preponderance in corporate resolutions and the power to elect the majority of directors.

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The consolidated financial statements cover the following companies and companies:

Environment Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Environmental ESG Participações S.A.	Holding Environmental ESG	Brazil	Holding in airlines that operate in total management, movement of industrial vehicles, post-consumption, environmental focus and specialized services with valorization. Environmental consulting and auditing and management software development.	100,00%	-	100,00%	-

Response Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Ambipar Howells Consultancy Limited	Ambipar Howells	UK	Emergency Response	-	100,00%	100,00%	-
Ambipar Response Limited	Ambipar Response UK	UK	Emergency Response	-	100,00%	100,00%	-
Emergência Participações S.A.	Emergência Participações	Brazil, USA, UK, Canada, Ireland, Chile, Peru and Uruguay	Holding with participation in companies that work in training, prevention and assistance to Emergencies.	100,00%	-	100,00%	-

Others Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	Ambipar Bank	Brazil	Financial services intermediation and agency .	100,00%	-	-	-
Universe Ambipar Serviços Comércio e Consultoria S.A.	Universe	Brazil	Development of derivative products with e-commerce	100,00%	-	-	-
Bleu Empreendimentos Digitais Ltda	Bleu	Brazil	Asset tokenization solutions, digital wallet management, development of smartcontracts on blockchain technology	50,00%	-	-	-
Ambipar Financial Participações S.A.	Financial	Brazil	Equity interest in financial institutions	100%	-	-	-

2.5. Currency translation

(a) Funcional and reporting currency

Items included in the Company's individual and consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The individual and consolidated financial statements are presented in Brazilian Reais (R\$) which is the functional currency. All financial statements disclosed was rounded to the nearest unit, unless otherwise stated.

(b) Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates in effect on the dates of the transactions or valuation, when the items are measured. Exchange rate gains and losses resulting from the settlement of those transactions and from the translation at the year-end exchange rates, referring to monetary assets and liabilities in foreign currency, are recognized in the statement of income. Exchange rate gains and losses related to trade accounts receivable and payables and to loans are recognized in the statement of income as financial income or expenses.

(c) Use of estimates and assumptions

The preparation of the individual and consolidated financial statements in accordance with Brazilian accounting practices requires management to apply its best judgment to determine and report its accounting estimates. The settlement of transactions involving these estimates may result in amounts different from those estimated, due to inaccuracies inherent in the process of their determination.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the individual and consolidated financial statements is included in the following notes:

- Note 2.13 - Impairment of non-financial assets;
- Note 2.16 - Provision for landfill restructuring;
- Note 5 - Allowance for doubtful accounts;
- Note 8 - Residual value and estimated useful life of fixed assets;
- Note 14 - Provision for contingencies; and
- Note 22 - Insurance.

2.6. Cash and Cash equivalents

Cash and cash equivalents include cash, bank deposits, highly liquid short-term investments, redeemable in up to three months or less, with an insignificant risk of change in fair value and with the objective of meeting short-term commitments.

2.7. Financial assets and liabilities

2.7.1. Financial assets

Classification

Upon initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost if it satisfies both of the following conditions: (i) the asset is maintained within a business model in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI only if it satisfies both of the following conditions: (i) the asset is maintained within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that represent payments of principal and interest on the principal amount outstanding. All other financial assets are classified as measured at fair value through profit or loss.

In addition, upon initial recognition, the Company may, irrevocably, designate a financial asset, which meets the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation has the objective of eliminating or significantly reducing a possible accounting mismatch resulting from the result produced by the respective asset.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified as at fair value recognized in profit or loss.

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Financial assets at fair value recognized in the income statement are initially recognized at fair value, and the transaction costs are charged to the income statement in the period in which they occur.

The fair value of publicly quoted investments is based on the current purchase price. If the market for a financial asset is not active, the Company establishes fair value using valuation techniques. These techniques include the use of recent operations contracted with third parties, the reference to other instruments that are substantially similar, the analysis of discounted cash flows and the option pricing models, privileging market information and minimizing the use of information generated by Management.

Recoverable value (impairment) of financial assets - assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of an impairment loss include: (i) significant financial difficulty for the issuer or borrower; (ii) a breach of contract, such as default or delay in payment of interest or principal; (iii) probability that the debtor will declare bankruptcy or financial reorganization; and (iv) extinction of the active market for that financial asset due to financial problems.

Derecognition of financial assets

A financial asset (or, when applicable, a portion of a financial asset or part of a Group of similar financial assets) is written off mainly when: (i) the rights to receive cash flows from the asset have expired; and (ii) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party under a "pass-through" agreement; and (a) the Company transferred substantially all risks and benefits related to the asset; or (b) the Company did not transfer and did not substantially retain all risks and benefits related to the asset, but transferred control over that asset.

When the Company has transferred its rights to receive cash flows from an asset, or has executed a transfer agreement and has not transferred or retained substantially all the risks and benefits related to the asset, an asset is recognized to the extent of the Company's continued involvement with that asset.

2.7.2. Financial liabilities

Recognition and measurement

A financial liability is classified as measured at fair value through statement of income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in statement of income as incurred. These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing and debentures, are added the directly related transaction cost.

Subsequent measurement

After initial recognition, loans and financing, debentures, suppliers and accounts payable are subsequently measured at amortized cost, using the effective interest rate method.

Loan costs

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets.

Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

Derecognition of financial liabilities

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recognized as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

2.8. Trade accounts receivable

Trade accounts receivable consist of amounts receivable from customers for services rendered over the normal course of the Company's transactions. If the collection period is one year or less (or another period in line with the Company's operating cycle), accounts receivable are classified as current assets. Otherwise, they are stated in noncurrent assets.

Trade accounts receivable are firstly recognized at fair value and then measured at the amortized cost by using the effective interest rate method, less allowance for doubtful account (impairment). Actually, they are normally recognized at their billed amount, adjusted by impairment, if applicable.

2.9. Other accounts receivable (current and non-current)

These are initially recognized at their fair value and later measured at net realizable value.

Expenses related to the acquisition of carbon credits that will be traded are also recorded under Other accounts receivable, at their acquisition cost value and subsequently measured, whichever is lower, between the fair value, net of costs to sell and the cost value recorded on the base date. The contra entry is recorded in income for the year, in accordance with IAS 02/CPC 16R1.

2.10. Investments in subsidiaries

Investments held in a subsidiary are measured using the equity method (Note 7). The financial statements of subsidiaries are adjusted, when applicable, to the Company's accounting practices.

Investments are initially recognized at cost and, subsequently, adjusted by recognizing the interest attributed to the Company in the changes in the net assets of the investees, less provisions for impairment, when applicable.

The financial statements of investments abroad are converted to the same accounting practices and presentation currency of the Company. Currency adjustments are classified under "Cumulative translation adjustment - shareholders' equity". Realization occurs when the write-off, sale, receipt of dividends from these investments.

2.11. Intangible assets

Acquired software licenses are capitalized according to costs incurred to acquire the software and make it ready for use. These costs are amortized during their estimated useful lives .

Costs associated with software maintenance are recognized as an expense, as incurred. Development costs that are directly attributable to the design and testing of identifiable and exclusive software products, controlled by the Company, are recognized as intangible assets when the following criteria are met.

Other expenses on development that do not meet those criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in a following period.

Software development costs recognized as assets are amortized during their estimated useful lives.

2.12. Fixed Assets

Sanitary landfills are evaluated at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total waste capacity. Plots of land and buildings mainly comprise warehouses and offices.

Fixed assets are measured at historical cost less accumulated depreciation. The historical cost includes expenses directly attributable to the acquisition of assets. It also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow associated with the item and when the item's cost can be reliably measured. The carrying amount of items or spare parts is written off. All other repairs and maintenance are recognized in statement of income for the year, as incurred.

Plots of land are not depreciated. The depreciation of other assets is calculated using the straight line method to allocate costs to residual values during the estimated useful life, except for sanitary landfills.

The residual values and useful lives of assets are reviewed and adjusted if appropriate, at each year end.

The carrying value of an asset is immediately written down according to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Gains and losses from disposals are determined by comparing results with book value and are recognized under "Other operating revenues (losses), net" in the statement of income.

2.13. Impairment of non-financial assets

The assets which are subject to depreciation and amortization are tested for impairment whenever events or circumstances indicate that their carrying value may not be recoverable.

An impairment loss is recognized to the extent the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of the fair value of an asset less selling costs or its value in use.

For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, should they be impaired, are subsequently reviewed to analyze a possible reversal of impairment at the reporting date.

2.14. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in a period of up to one year, otherwise, accounts payable are stated as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

2.15. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are then stated at their amortized cost.

Any difference between amounts raised (net of transaction costs) and the settlement amount is recognized in the statement of income during the period in which loans are outstanding, using the effective interest rate method.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of a liability for at least 12 months after the balance sheet date.

2.16. Provisions

The provisions for lawsuits (labor, civil and tax) are recognized when: The Company has a present or informal obligation (constructive obligation) as a result of past events; it is probable that an outflow of funds is required to settle the obligation; and the amount has been reliably estimated. The provisions are not recognized in regard to future operating losses.

In the case a series of similar obligations exists, the likelihood of settlement is determined considering the class of obligations as a whole. A provision is recognized even when the likelihood of settlement related to any individual item included in the same class of obligations is small.

The provisions are measured at the present value of the expenses required to settle the obligation, at a rate before taxes that reflects the current market evaluations of the time value of money and of the specific risks of the obligation. The increase of liabilities over time is recognized as a financial expense.

The sanitary landfill restructuring provision is initially recognized considering the estimated landfill remediation costs in compliance with environmental legislation in Brazil, under the heading "Other accounts payable" with a corresponding to the "Property, plant and equipment" item in the Landfill class. Management keeps its studies up-to-date considering monetary updates, third-party budgets to be contracted and internal costs, revising its estimate in case of changes in the original budget.

2.17. Current and deferred income tax and social contribution

2.17.1. Current income tax and social contribution

Companies adopting the deemed profit regime

There are companies that have opted for taxation based on deemed profit. Current and deferred income tax and social contribution are calculated at the rates of 15%, plus a surtax of 10% on taxable income exceeding R\$ 240 for income tax and 9% on taxable income for social contribution tax.

Companies adopting the actual profit regime

Current income tax and social contribution are calculated at the following rates: 15% plus a 10% surtax on taxable income in excess of R\$ 240 thousand for income tax, and 9% on taxable income for social contribution tax, considering, if any, income tax and social contribution losses carry forwards, up to 30% of taxable income.

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Companies in the Simples Nacional regime

Simples Nacional is a differentiated tax regime for micro and small companies that allows the collection of several federal, state and municipal taxes in a single guide. The rate is different, varying according to the billing, which is separated into billing ranges, up to the annual gross revenue of R\$ 4.8 million.

The Company and most of its subsidiaries were taxed at taxable income, with the exception of:

Companies	Country	Taxation
Environment Segment		
Excelência e Sustentabilidade Ltda - WATU	Brazil	Simples Nacional
Ecológica Nordeste Eireli	Brazil	Deemed profit
Ecológica Resíduos Industriais S/A	Brazil	Simples Nacional
MCZ Soluções Ambientais Ltda	Brazil	Deemed profit
Amazon Resíduos Ltda	Brazil	Deemed profit
Boomera Lar Indústria e Comércio de Plásticos Ltda	Brazil	Deemed profit
Disal Ambiental Holding S.A.	Chile	Country legislation
Biofílica Ambipar Environmental Investments S.A.	Brazil	Deemed profit
Ambipar Boomera Environmental Machines S.A.	Brazil	Simples Nacional
SIR Ambiente Inteligência Ambiental Ltda	Brazil	Deemed profit
Brasil Coleta Industria e Tratamento de Resíduos Ltda	Brazil	Deemed profit
Response Segment		
Ambipar Response Insurance - Atendimento a Seguros LTDA	Brazil	Deemed profit
Suatrans Chile S.A.	Chile	Country legislation
Suatrans Peru S.A.C	Peru	Country legislation
Suatrans Training S.A.	Chile	Country legislation
SIS S.A.	Chile	Country legislation
Horvefel S.A.	Uruguay	Country legislation
SABI Tech S.A.S - Suatrans Chile	Colombia	Country legislation
Ambipar Holding USA, INC	USA	Country legislation
Allied International Emergency, LLC	USA	Country legislation
One Stop Environmental, LLC	USA	Country legislation
Intracoastal Environmental, LLC	USA	Country legislation
Custom Environmental Services, Inc	USA	Country legislation
Environmental Management System (EMS)	USA	Country legislation
Ambipar Holdings UK Limited	UK	Country legislation
Enviroclear Site Service Limited	UK	Country legislation
Ambipar Holding Ireland Limited	Ireland	Country legislation
Lehane Environmental & Industrial Services Ltd	Ireland	Country legislation
Ambipar Holding Canadá, INC	Canada	Country legislation
Orion Environmental Services Ltd.	Canada	Country legislation
Desentupidora Belo Ltda	Brazil	Deemed profit
Inversiones Disal Emergências S.A.	Chile	Country legislation
Ambipar Response Espírito Santo S.A.	Brazil	Deemed profit
Ambipar Response Orbitgeo Ltda	Brazil	Deemed profit
Ambipar Response Ogtec Facilities Ltda	Brazil	Deemed profit
Ambipar Response Wastewater Control Ltda	Brazil	Deemed profit
Ambipar Response Geoweb Ltda	Brazil	Deemed profit
Ambipar Response Geociências Ltda	Brazil	Deemed profit
Swat Consulting Inc.	USA	Country legislation
Professional Emergency Resource Services	USA	Country legislation
Fênix Emergências Ambientais Ltda	Brazil	Deemed profit
APW Ambiental e Transporte Ltda.	Brazil	Simples Nacional
Emerge Hydrovac Inc.	Canada	Country legislation
Lynx Creek Industrial & Hydrovac Ltd.	Canada	Country legislation
Ambipar Howells Consultancy Limited	UK	Country legislation
Ambipar Response Limited	UK	Country legislation
Others Segment		
Bleu Empreendimentos Digitais Ltda	Brazil	Simples Nacional

2.17.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recognized by employing the liability method to temporary differences between the tax bases of existing assets and liabilities and their financial statement carrying amounts. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in an operation other than a business combination which, at the time of the transaction, does not affect book income or taxable income (tax loss). Deferred income tax and social contribution are determined using enacted, or substantially enacted, tax rates (and laws) at the balance sheet date and should be applied when the corresponding deferred tax asset is realized or when the deferred tax liability is settled.

Deferred income tax and social contribution assets are only recognized if it is considered probable that there will be sufficient future taxable income against which the temporary differences can be utilized.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18. Employees' benefits

(a) Termination benefits

The Company does not have termination benefit plans for employees.

(b) Profit sharing and bonus

Profit sharing is usually recognized at year end, when the amount can be reliably measured by the Company.

2.19. Revenue recognition

Revenue is presented net of taxes, returns, rebates and discounts. Its recognition is in accordance with CPC 47 - Revenue from customer contracts, which establishes a five-step model to determine how and when it will be recognized, as well as its measurement, as long as revenues and costs can be safely measured. In addition, specific criteria for each of the Company's activities must be met, as described below:

a) Service rendered

The Company and its subsidiaries provide services that comprise the complete chain of environmental management (Environment) and emergency response, which includes prevention, training and emergency response (Response).

Revenue from services rendered is recognized based on services performed during the period up to the balance sheet date.

b) Financial income

Financial income is recognized according to the elapsed time using the effective interest rate method.

2.20. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Leasing of low value assets; and
- Leases lasting less than 12 months.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate implied in the contract, unless (as is usually the case) this is not easily determinable, in which case the incremental rate on the Company's loans at the beginning of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the term of the contract. Other variable lease payments are spent in the period to which they are related.

At initial recognition, the carrying amount of the lease liability also includes:

- amounts to be paid under any residual value guarantee;
- the exercise price of any call option granted in favor of the Company and its subsidiaries, if it is reasonable to evaluate this option;
- any penalties to be paid for terminating the lease, if the term of the lease has been estimated based on the termination option being exercised.

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Right-of-use assets are initially measured at the value of the lease liability, less any incentives received, plus:

- lease payments made up to the start date of the contract;
- initial direct costs incurred; and
- the amount of any provision recognized when the Company and its subsidiaries are contractually required to dismantle, remove or restore the underlying asset.

After the initial measurement, the lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced by the lease payments made. Use rights assets are amortized using the straight-line method over the remaining lease term or over the remaining economic life of the asset if, rarely, it is considered to be less than the lease term.

When the Company and its subsidiaries revise their term estimates for any lease (because, for example, it reevaluates the probability that a lessee extension or termination option will be exercised), they adjust the carrying amount of the lease liability to reflect payments to do over the revised term, which are discounted using a revised discount rate. The carrying amount of lease liabilities is reviewed in a similar manner when the variable element of future lease payments dependent on a rate or index is reviewed, unless the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the book value of the asset with the right to use, with the revised book value being amortized over the remaining (revised) lease term. If the carrying amount of the asset with the right to use is adjusted to zero, any additional reduction is recognized in the income statement.

When the Company and its subsidiaries renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the change:

- if the renegotiation results in one or more additional assets being leased at an amount compatible with the individual price for the additional use rights obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (either an extension of the lease term, or one or more additional assets being leased), the lease liability is reevaluated using the discount rate applicable on the date of the modification, with the right of use asset being adjusted by the same amount;
- if the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced by the same proportion to reflect the partial or total termination of the lease with any difference recognized in profit or prejudice. The lease liability is then adjusted to ensure that its book value reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the date of the modification. The right-to-use asset is adjusted by the same amount.

For contracts that convey the right to the Company and its subsidiaries to use an identified asset and require services to be provided to the Company and its subsidiaries by the lessor, the Company and its subsidiaries have chosen to account for the entire agreement as a lease, that is, it does not allocate any amount of contractual payments, separately accounting for any services provided by the supplier as part of the contract.

2.21. Distribution of dividends and interest on equity capital

The distribution of dividends and interest on equity capital for the Company's shareholders is recognized as a liability in the Company's individual and consolidated financial statements at year end, based on the Company's bylaws.

Any amount above the minimum mandatory payout is only provided for at the date in which the said payout is approved by the shareholders.

The tax benefit of interest on equity capital is recognized in the statement of income.

2.22. Ajuste a valor presente

The components of assets and liabilities arising from long-term operations, or short-term operations, when there are relevant effects, are adjusted to present value based on discount rates that reflect the best current market assessments of the value of money in the time and the specific risks of the asset and liability. Management analyzed the amounts of assets and liabilities, not having identified balances and transactions for which the adjustment to present value is applicable and relevant for the purposes of the individual and consolidated financial statements.

2.23. Business Combination

Pursuant to CPC 15 (R1) - Business Combinations, business acquisitions are accounted for under the acquisition method. Consideration transferred on a business combination is measured at fair value, calculated by the sum of the fair values of the assets transferred, the liabilities incurred on the date of acquisition to the former controlling shareholders of the acquired company, and the shares issued in exchange for control over the acquired company. The costs related to the acquisition are normally recognized in the statements of income, when incurred.

Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred plus the fair value of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree (if any) over the fair value of the net amount of identifiable assets acquired less liabilities assumed.

If, after assessment, the net amounts of assets acquired and liabilities assumed identifiable on the date of acquisition are higher than the sum of the consideration transferred, of the non-controlling interest in the acquiree and of the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, the excess is immediately recognized as a gain in the statement of income.

If the initial accounting of a business combination is incomplete at the end of the year in which such combination occurred, the temporary amounts of the items whose accounting is incomplete are recognized. These temporary amounts are adjusted during the measurement period (which may not exceed one year as from the date of acquisition), or additional assets and liabilities are recognized to reflect the new information obtained in relation to facts and circumstances existing at the date of acquisition which, if known, would have affected the amounts recognized on that date.

2.24. Segment reporting disclosure

The segment reporting information are disclosed in a manner consistent with the decision making process of the chief operating decision-maker. The chief operating decision-maker, responsible for the allocation of funds and for evaluating the performance of operating segments is the Company's management, also responsible for the Company's strategic decisions.

2.25. Earning per share - basic and diluted

The Company calculates basic earnings per share using the total average weighted number of outstanding common and preferred shares during the period corresponding to income (loss), in accordance with accounting pronouncement CPC 41/IAS 33.

2.26. Statement of added value - supplementary information to IFRS

The statement of added value is being prepared and disclosed, consistently with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Brazilian Securities and Exchange Commission.

2.27. Prepaid expenses

These are basically disbursements made in advance, which will be included in the result as soon as the expenses are effectively incurred, significantly represented by the Group's marketing and advertising expenses.

3. Financial risk management

The Company and its subsidiaries participate in transactions involving financial instruments in order to finance their activities or invest their available financial resources.

These risks are managed through the definition of conservative strategies, aiming at liquidity, profitability and security. The control policy consists of permanently monitoring contracted rates versus those in force in the market.

In the years ended December 31, 2021 and 2020, no transactions were carried out involving derivative financial instruments with speculative purposes and compound financial instruments with embedded derivatives.

Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recognized at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

3.1. Financial risk factors

The activities of the Company expose it to several financial risks: market risk (including interest rate on fair value, interest rate on cash flow), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on the Company's financial performance.

Risk management is performed by the Company's senior management and according to policies approved by the shareholders. The Company's top management identifies, evaluates and hedges the Company against eventual financial risks.

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(a) Market risk

(i) Interest rate risk

The interest rate risk arises from debt portion indexed at TJLP (Long-term Interest Rate) and financial investments indexed at CDI (Interbank Deposit Rate), which may affect the financial income or expenses in case of an unfavorable change in interest rates or inflation. Loans issued at variable rates expose the Company to cash flow interest rate risk.

Loans issued at fixed rates expose the Company and its subsidiaries to the fair value risk associated with the interest rate. Considering that a substantial part of the loans of the Company and its subsidiaries is linked to fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

The Company defined 3 scenarios (probable, possible and remote) to be simulated. Probably, the rates defined by BM&F were defined by Management, and the possible and remote scenarios, a deterioration of 25% and 50%, respectively, in the variables. The calculation basis used is the amount presented in the notes to the cash and cash equivalents, loans and finance lease:

2021

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	659,853	84,131	63,098	42,066
CDI - Debentures	(1,392,239)	(177,510)	(133,133)	(88,755)
Net exposure	(732,386)	(93,379)	(70,035)	(46,689)

2020

Risco com indexadores	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	538,806	68,698	51,524	34,349
Net exposure	538,806	68,698	51,524	34,349

Due to the nature, complexity and isolation of a single variable rate, the presented estimates may not truly represent the amount of losses, should such rate have its depreciation disclosed. The calculation was made for a gain/loss scenario in the period of one month.

The indirect environmental subsidiary has with Banco Bocom BBM SA Branch of Nassau in the amount of USD 9,917 thousand (nine million, nine hundred and seventeen thousand United States Dollars), for this operation we have contracted the SWAP instrument, considering the rate, amount and term, exchanging the exchange rate to expose the fixed rate.

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Hedge accounting

The purpose of the Company's hedging operation is to protect cash flows denominated in US dollars arising from the loan in foreign currency (as per Note 10.2) since practically all of the Company's operations are denominated in local currency.

Thus, the transaction is classified as cash flow hedge, applying accounting according to CPC 48 - Financial instruments.

The objective of hedge accounting (understood as the hedge accounting policy adopted) is to affect the Company's results only by the local interest rates to which it is exposed, considering only the net effect of the contracted hedge.

The agreement in effect on December 31, 2021 is as follows:

Instrument	Type of financial instrument	Operation	notional value	Due date	Protection indexer	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 9,917 thousand	6/2022	Exchange VariationI + 2.91% p.a.	100% of CDI

The outstanding balances are shown below:

Description	Principal amount (notional) - In thousands of USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active tip:				
Dollar long position	9,917	55,380	55,418	38
Passive tip:				
Short position at fixed rate	(9,917)	(50,133)	(50,133)	-
Total net financial instrument	-	5,247	5,285	38

In accordance with applicable accounting practices, the adjustment to the fair value determined for the financial instrument was R\$ 38 (R\$ 25, net of tax effect) and is recorded in the income statement.

It is worth noting that the current hedge operation is fully linked, including contractually, to the loan contracted under the 4131 modality, and cannot be undone individually.

(ii) Foreign currency exchange rate risk

The associated risk arises from the possibility that the Company may incur losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market. The Company periodically monitors the net exposure of assets and liabilities in foreign currency.

The indirect subsidiary Ambipar Response settled in July 2020 a loan with Banco Bradesco Europa SA in the amount of USD 1,203 thousand (one million, two hundred and three thousand United States Dollars), for this operation had contracted the SWAP instrument, considering rate, amount and exchange rate exposure to the fixed rate variation.

(iii) Risk of commodities price

The Company has no transactions quoted at commodities price; therefore, it is not exposed to risks of commodities prices.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as exposures to customers' credit. In the case of banks and financial institutions, only notes from top-tier institutions are accepted.

The department of credit analysis evaluates the quality of clients' credit, considering the customer's financial position, past experience and other factors.

The individual risk limits are determined based on internal or external classifications according to the limits established by Management. The use of credit limits is regularly monitored.

No credit limit was surpassed during the period and management does not expect any loss resulting from default of other parties, in addition to the provision already recognized (Note 5).

(c) Liquidity risk

Cash flow forecasts are calculated by the Company's management. Management monitors the continual projections of liquidity requirements of the Company to guarantee that it has sufficient cash to meet its operating needs. This forecast considers the plans of financing for the Company's debt, compliance with contractual clauses, meeting internal targets of balance sheet ratio and, if applicable, external or legal requirements, such as currency restrictions.

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The excess cash held by the Company, in addition to the balance required for working capital management, is invested in interest-bearing current accounts, time deposits and short-term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin as required, determined by the aforementioned forecasts. As of December 31, 2021, the Company had short-term invested funds of R\$659,853 (R\$538,806 as of December 31, 2020) (consolidated) that are expected to promptly generate cash inflows to manage liquidity risk.

The following table analyzes the non-derivative financial liabilities of the Company and its subsidiaries, by maturity ranges, corresponding to the remaining period in the balance sheet until the contractual maturity date:

	Less than one year	Between one and two years	Between two and five years	Over five years	Total
As at December 31, 2021					
- Consolidated					
Loans and financing	267,862	304,395	660,931	42,225	1,275,413
Debentures	74,232	595,664	722,343	-	1,392,239
Lease Liabilities	26,238	19,650	30,323	-	76,211
Trade accounts payable and other accounts payable	99,380	-	-	-	99,380
	<u>467,712</u>	<u>919,709</u>	<u>1,413,597</u>	<u>42,225</u>	<u>2,843,243</u>
As at December 31, 2020					
- Consolidated					
Loans and financing	44,876	50,642	111,618	-	207,136
Trade accounts payable and other accounts payable	18,406	-	-	-	18,406
	<u>63,282</u>	<u>50,642</u>	<u>111,618</u>	<u>-</u>	<u>225,542</u>

(d) Regulatory and environmental risks

The Company and its subsidiaries are subject to laws and regulations in the countries in which they operate. The Company's management has established certified environmental policies and procedures to meet environmental laws.

Management carries out regular analyses to identify environmental risks and to ensure that the controls over operation are adequate and properly certified.

3.2. Capital management

The Company's purposes in managing its capital are guaranteeing its going concern capacity in order to bring gains to shareholders and benefits to the other interested parties, in addition to keeping an ideal capital structure to reduce costs.

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In order to keep or adjust its capital structure, the Company may review its policy on the payment of dividends, return capital to shareholders, or even sell assets in order to reduce indebtedness levels, for example.

The Company monitors capital based on financial leverage indexes. This index corresponds to net debt divided by total capital. Net debt corresponds to total loans and financing (including short and long-term loans and financing, as shown in the statement of financial position), less the amount of cash and cash equivalents.

Total capital is calculated through the sum of the equity, as stated in the statement of financial position, with the net debt.

The financial leverage index as of December 31, 2021 and 2020 can be summarized as follows:

Consolidated financial statements	2021	2020
Total loans, financing and debentures	2,667,652	207,136
Less: cash and cash equivalents	(793,241)	(591,608)
Net debt	1,874,411	(384,472)
Total net equity	1,304,732	1,225,750
Total capital	3,179,143	841,278
Financial leverage index (%)	59.0	(45.7)

3.3. Fair value estimation

It is assumed that the balances of trade accounts receivables and payables at their carrying amounts, less impairment, approximate their fair values, considering the realization and settlement of those balances from 30 to 60 days.

The fair value of financial liabilities for reporting purposes is estimated through the discount of future contractual cash flows at the effective interest rate in market, which is available to the Company for similar financial instruments. Interest rates in effect at balance sheet date are the regular ones in the market and their fair values approximate the balances in accounting records.

Financial investments, represented by investments in CDI (Note 4) and classified as loans and receivables, were evaluated based on the interest rate agreed with the respective financial institution, considered as the regular market rate.

Fair value is the value by which an asset may be changed, or a liability settled, between the parties on an arm's length basis. The fair value hierarchy has the following levels:

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- Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3.4. Financial instruments by category

	Category	Parent company	
		Book value	Fair value (*)
Financial asset			
Cash and cash equivalents	Amortized cost	3	3
Financial investments	Fair value through profit or loss	268,278	268,278
Financial liabilities			
Operating leasing	Amortized cost	20,000	20,000
Debentures	Amortized cost	507,591	507,591
	Category	Consolidated	
		Book value	Fair value (*)
Financial assets			
Cash and cash equivalents	Amortized cost	133,388	133,388
Financial investments	Fair value through profit or loss	659,853	659,853
Accounts receivable	Amortized cost	549,150	549,150
Financial liabilities			
Loans and leases	Amortized cost	1,275,413	1,275,413
Debentures	Amortized cost	1,392,239	1,392,239
Trade payable	Amortized cost	99,380	99,380
Lease Liabilities	Amortized cost	76,211	76,211

(*) Fair value is measured at level 2 of the fair value hierarchy. The Company and its subsidiaries do not have any operations classified in the fair value hierarchy levels 1 and 3.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash and banks	3	2	133,388	52,802
Financial investments	268,278	474,274	659,853	538,806
	<u>268,281</u>	<u>474,276</u>	<u>793,241</u>	<u>591,608</u>

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Financial investments are mainly represented by Bank Deposit Certificates and Capitalization Bonds from first-rate financial institutions, with low credit risk, whose yield is linked to the variation of the Interbank Deposit Certificate (CDI), and have immediate liquidity and maturity up to 90 days, with an index rate of 105% of the CDI.

5. Accounts receivable

	Consolidated	
	2021	2020
Notes receivable		
Private	556,945	223,526
Public	1,673	1,673
Related parties	-	807
	558,618	226,006
Allowance for doubtful accounts	(9,468)	(3,600)
	549,150	222,406
Current	540,021	217,917
Noncurrent	9,129	4,489

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	2021	2020
Due	375,889	199,122
Overdue up to 30 days	61,493	7,118
Overdue from 31 to 90 days	54,921	6,910
Overdue from 91 to 180 days	20,170	4,387
Overdue from 181 to 360 days	16,954	2,732
Overdue for more than 361 days	29,191	5,737
	558,618	226,006

We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance as at January 1, 2020	(3,559)
(+) Additions	(41)
(=) Balance as at December 31, 2020	(3,600)
(+) Initial Collection for the purchase	(6,773)
(+) Write-offs	905
(=) Balance as at December 31, 2021	(9,468)

The expected loss for doubtful accounts is established when there is objective evidence that the Company and its subsidiaries will not be able to collect all amounts due in accordance with the original terms of accounts receivable.

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It is accrued in an amount considered sufficient by the Management to face the probable losses in the realization of the credits based on: analysis of the default risk of each client, the client's financial situation compromised in the market, history of negotiations carried out, signed agreements not being fulfilled, mainly taking into account risk scenarios in which the behavior is observable in the market, and with special attention to long-overdue loans.

With respect to receivables overdue for more than 181 days, the collection and settlement processes and procedures, even if paid in installments for receipt, are in progress, whose probability of success is relatively high.

6. Recoverable taxes

	Parent Company		Consolidated	
	2021	2020	2021	2020
IRRF (Withholding income tax) to offset	4,601	339	27,485	10,008
Recoverable INSS (Social security tax) withheld	-	-	3,834	3,636
Recoverable PIS (Tax on sales)	2	36	1,247	536
Recoverable COFINS (Tax on sales)	-	110	5,828	2,492
Recoverable ICMS (State VAT)	-	-	4,454	2,471
Prepaid Income tax and social contribution (IR/CS)	359	20	17,891	7,572
Other recoverable taxes	-	-	2,965	174
	<u>4,962</u>	<u>505</u>	<u>63,704</u>	<u>26,889</u>
Current	4,603	485	51,297	22,687
Non-current	359	20	12,407	4,202

7. Investments in subsidiaries

	Parent company	
	2021	2020
Investments in subsidiaries	357,152	603,494
Goodwill paid on the acquisition of investments due to expected future profitability (Note 7.4)	87,260	148,278
	<u>444,412</u>	<u>751,772</u>
Investment loss in subsidiaries	-	(1,054)
	<u>-</u>	<u>(1,054)</u>

7.1. Business Combination

Throughout 2021, the Ambipar Group carried out the following corporate movements already organized by its Environment and Response business divisions:

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	Environment							
Assets and liabilities acquired at fair value (*)	Environmental Nordeste	Centro Oeste	Metal Ar	Boomera do Brasil	Disal	Ecológica Nordeste	Drypol	Suprema
Cash and cash equivalents	8,956	338	9,348	(88)	90,699	6	8,785	9,133
Other assets	35,710	24,171	101,880	35,504	396,646	2,897	56,144	49,749
Other liabilities	(37,337)	(48,063)	(54,873)	(15,730)	(232,836)	(1,402)	(17,958)	(37,375)
Separately Identified Intangibles	-	-	32,419	-	271,303	-	-	-
Added Value of Fixed Assets	-	-	15,784	-	30,164	-	-	-
(-) Deferred tax on added Value	-	-	(16,390)	-	(102,499)	-	-	-
Total identifiable net assets	7,329	(23,554)	88,168	19,686	453,477	1,501	46,971	21,507
Total amount of the consideration transferred	20,000	16,400	108,818	43,000	918,866	19,843	82,421	105,725
(-) Cash acquired	(8,956)	(338)	(9,348)	88	(90,699)	(6)	(8,785)	(9,133)
(-) Assumed amount of the obligation to pay	-	(10,000)	(50,000)	(16,000)	-	(11,906)	(20,000)	(51,422)
Cash paid, net of cash received	11,044	6,062	49,470	27,088	828,167	7,931	53,636	45,170
Determination of goodwill (*)								
Total amount of consideration, net	20,000	16,400	108,818	43,000	918,866	19,843	82,421	105,725
Total identifiable net assets	(3,665)	16,488	(88,168)	(9,845)	(453,477)	(1,501)	(25,834)	(15,055)
Goodwill paid for expected future profitability	16,335	32,888	20,650	33,155	465,389	18,342	56,587	90,670
Date of acquisition	01/20/2021	05/11/2021	05/14/2021	06/01/2021	06/28/2021	06/11/2021	07/30/2021	08/31/2021
Control start date	01/2021	05/2021	05/2021	05/2021	06/2021	06/2021	07/2021	08/2021
Company that acquired control	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Ambipar Enviromental Nordeste Ltda.	Enviromental ESG Participações S.A. e Boomera Ambipar Gestão Ambiental S.A.	Enviromental ESG Participações S.A.
Aquisition Value	R\$ 20,000	R\$ 16,400	R\$ 108,818	R\$ 43,000	US\$ 184,745	R\$ 19,843	R\$ 82,421	R\$ 105,725
Percentage acquired	50.000004%	70%	100%	50.01%	100.00%	100%	55%	70%

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	Environment						
	SIR	Biofílica	Boomera Machines	Brasil Coleta Gerenc.	MCZ Soluções	Ecológica Resíduos (**)	Excelência e Sustentabilidade
Assets and liabilities acquired at fair value (*)	202	2,689	153	6,142	3	2	134
Cash and cash equivalents	10,682	59,383	22,299	72,341	1,572	10,896	309
Other assets	(311)	(3,277)	(1,884)	(94,895)	(26)	(473)	(74)
Other liabilities	-	-	-	-	-	-	-
Separately Identified Intangibles	-	-	-	-	-	-	-
Added Value of Fixed Assets	-	-	-	-	-	-	-
(-) Deferred tax on added Value	-	-	-	-	-	-	-
Total identifiable net assets	10,573	58,795	20,568	(16,412)	1,549	10,425	369
Total amount of the consideration transferred	21,771	90,000	25,805	85,450	3,163	6,120	1,600
(-) Cash acquired	(202)	(2,689)	(153)	(6,142)	(3)	(2)	(134)
(-) Assumed amount of the obligation to pay	-	(29,000)	(15,700)	(85,450)	-	(2,520)	(800)
Cash paid, net of cash received	21,569	58,311	9,952	(6,142)	3,160	3,598	666
Determination of goodwill (*)							
Total amount of consideration, net	21,771	90,000	25,805	85,450	3,163	6,120	1,600
Total identifiable net assets	(6,872)	(31,497)	(12,341)	8,370	(1,549)	(6,255)	(369)
Goodwill paid for expected future profitability	14,899	58,503	13,464	93,820	1,614	(135)	1,231
Date of acquisition	08/31/2021	07/07/2021	07/29/2021	09/29/2021	10/21/2021	10/29/2021	10/29/2021
Control start date	08/2021	07/2021	07/2021	09/2021	12/2021***	11/2021***	10/2021
Company that acquired control	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A. e Boomera Ambipar Gestão Ambiental S.A.	Enviromental ESG Participações S.A.	Ambipar Environmental Nordeste Ltda	Ambipar Environmental Nordeste Ltda	Ambipar Green Tech Ltda
Aquisition Value	R\$ 21,771	R\$ 90,000	R\$ 25,805	R\$ 85,450	R\$ 3,163	R\$ 6,120	R\$ 1,600
Percentage acquired	65%	53.57%	60%	51%	100%	60%	100%

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	Response										
Assets and liabilities acquired at fair value (*)	Enviroclear	Orion (Canadá)	EMS Environmental	SABI	SWAT	Controlpar	PERS	Lynx	Emerge	Lehane	Outros
Cash and cash equivalents	1,718	(2,548)	736	72	12,546	6,458	2,033	552	2,206	6,798	3,284
Other assets	57,672	54,480	5,068	12,057	5,192	39,269	716	12,254	22,848	33,044	9,573
Other liabilities	(55,524)	(50,394)	(623)	(9,157)	(38,450)	(17,175)	(494)	(7,312)	(15,857)	(3,403)	(8,105)
Separately identified Intangibles	3,866	1,538	5,181	2,972	(20,712)	28,552	2,255	5,494	9,197	36,439	4,752
Added Value of Fixed Assets											
(-) Deferred tax on added Value	36,534	72,390	15,006	13,363	23,201	61,946	27,144	18,922	28,300	51,923	43,624
Total identifiable net assets	(1,718)	2,548	(736)	(72)	(12,546)	(6,458)	(2,033)	(552)	(2,206)	(6,798)	(3,284)
	(22,059)	(55,297)	(11,255)	-	(13,598)	(31,946)	(13,572)	(9,461)	(14,150)	(15,588)	(28,745)
Total amount of the consideration transferred	12,757	19,641	3,015	13,291	(2,943)	23,542	11,539	8,909	11,944	29,537	11,595
(-) Cash acquired											
(-) Assumed amount of the obligation to pay											
Cash paid, net of cash received	36,534	72,390	15,006	13,363	23,201	61,946	27,144	18,922	28,300	51,923	43,624
	(3,866)	(1,538)	(5,181)	(2,972)	20,712	(19,986)	(2,255)	(5,494)	(9,197)	(36,439)	(4,301)
Determination of goodwill (*)	32,668	70,852	9,825	10,391	43,913	41,960	24,889	13,428	19,103	15,484	39,323
Total amount of consideration, net											
Total identifiable net assets	02/04/2021	02/11/2021	06/25/2021	07/04/2021	07/06/2021	07/29/2021	07/30/2021	09/01/2021	09/08/2021	09/20/2021	01/2021
Goodwill paid for expected future profitability	02/2021	02/2021	06/2021	07/2021	07/2021	07/2021	07/2021	09/2021	09/2021	09/2021	01/2021
	Ambipar Holdings UK	Ambipar Holding Canadá	Ambipar Holding USA, Inc.	Suatrans Chile S.A.	Ambipar Holding USA, Inc.	Emergência Participações S.A.	Ambipar Holding USA, Inc.	Ambipar Holding Canadá Inc.	Ambipar Holding Canadá Inc.	Ambipar Holdings UK Limited.	Emergência Participações S.A.
Date of acquisition	£ 4.649	PEN 15.971	US\$ 3.000	CLP 1.949.895	US\$ 4.530	R\$ 61.946	US\$ 5.300	CAD 4.407	CAD 6.592	€ 8.244	R\$ 43.624
Control start date	100%	100%	100%	100%	100%	70%	100%	100%	100%	100%	Control

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	Others	
	Bleu	Universo
Assets and liabilities acquired at fair value (*)		
Cash and cash equivalents	53	-
Other assets	20,355	-
Other liabilities	(250)	-
Total identifiable net assets	20,158	-
Total amount of the consideration transferred	40,000	3,500
(-) Cash acquired	(53)	-
(-) Assumed amount of the obligation to pay	(13,000)	-
Cash paid, net of cash received/receivable	26,947	3,500
Determination of goodwill (*)		
Total amount of consideration, net	40,000	3,500
Total identifiable net assets	(10,079)	-
Goodwill paid for expected future profitability	29,921	3,500
Date of acquisition	09/27/2021	07/20/2021
Control start date	09/2021	07/2021
	Ambipar	Ambipar
Company that acquired control	Participações e Empreendimentos S.A.	Participações e Empreendimentos S.A.
Acquisition Value	R\$ 40,000	R\$ 3,500
Percentage acquired	50%	100%

(*) On the acquisition date, although the Company evaluates the base date of the initial balance sheet of the acquired companies for the purpose of determining the allocation of the purchase price and goodwill (discount). These acquisitions have provisional reports. The goodwill amount for expected future profitability calculated referring to these acquisitions on December 31, 2021 was in the amount of R\$ 1,287,903 (consolidated).

(**) The acquisition agreement provides for the realization in two tranches, and, at the end, the consideration transferred will be up to R\$ 6,120, through the subscription and payment of new shares in which Ambipar Environmental Nordeste Ltda is guaranteed a 60% interest in the capital subsidiary company. This acquisition has a provisional report.

(***) The change of control took place after the contractual clauses determined were fulfilled.

The following is the payment schedule for the obligations on account of the acquisition of investment:

Expiration year	Parent company	Consolidated
2022	8,590	255,965
2023	400	81,405
2024	-	24,043
2025	-	2,065
2026	-	5,000
	8,990	368,478

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7.2. Subsidiaries' information

The Shareholders' equity of the subsidiaries are presented as follow:

	Segment	Net equity as at 12/31/2021	Percentage (%) 2021
Subsidiaries (Directs)			
Holding Enviromental	Enviroment	16,512	100
Emergência Participações	Response	329,746	100
Ambipar Bank	Others	1,073	100
Bleu	Others	19,637	50
Ambipar Financial	Others	1	100
Universo	Others	1	100

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7.3. Changes in investments in subsidiaries

	Balance as at 12.31.2020										Balance as at 12.31.2021	
	Investments	Provision for investments losses	Investment Acquisition	Investment transfers	Exchange rate fluctuation on investments abroad	Advance for Future Capital Increase	Dividends Received	Provisioned Dividends	Capital Transactions	Equity	Investments	Provision for investments losses
Subsidiaries												
Ambipar Environmental Solutions - Soluções Ambientais Ltda (f)	220,541	-	-	(220,541)	-	-	-	-	-	-	-	-
Ambipar Logistics Ltda (g)	13,789	-	-	(13,789)	-	-	-	-	-	-	-	-
Holding Environmental Ambipar Environment Reverse Manufacturing S.A. (h)	15,786	-	-	-	(9,630)	-	-	(2,536)	-	12,892	16,512	-
Emergência Participações (p)	2,985	-	-	(2,985)	-	-	-	-	-	-	-	-
Ambipar Response UK (p)	307,146	-	-	49,022	(8,172)	-	(311)	(31,155)	(118,024)	131,240	329,746	-
Ambipar Howells (p)	6,597	-	-	(16,882)	(23,747)	31,719	-	-	-	2,313	-	-
Ambipar Environment Waste Logistics Ltda (i)	-	(1,054)	-	1,088	(34)	-	-	-	-	-	-	-
Ambipar EcoProducts S.A. (j)	9,573	-	-	(9,573)	-	-	-	-	-	-	-	-
Ambipar Workforce Solution Mão de Obra Temp. Ltda (k)	12,046	-	-	(12,046)	-	-	-	-	-	-	-	-
Ambipar Coprocessing Ltda (l)	1,932	-	-	(1,932)	-	-	-	-	-	-	-	-
Ambipar Facilities Ltda (m)	3,402	-	-	(3,402)	-	-	-	-	-	-	-	-
Ambipar Compliance Solutions S.A. (n)	2,135	-	-	(2,135)	-	-	-	-	-	-	-	-
Ambipar Bank Bleu (o)	6,264	-	-	(6,264)	-	-	-	-	-	-	-	-
Ambipar Financial Universo	1,298	-	-	-	-	-	-	-	-	(225)	1,073	-
	-	-	10,079	-	-	-	-	-	-	(260)	9,819	-
	-	-	1	-	-	-	-	-	-	-	1	-
	-	-	1	-	-	-	-	-	-	-	1	-
	603,494	(1,054)	10,081	(239,439)	(41,583)	31,719	(311)	(33,691)	(118,024)	145,960	357,152	-

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	Saldo em 12.31.2019							Saldo em 12.31.2020			
	Investments	Provision for investments losses	Investment transfers	Exchange rate fluctuation on investments abroad	Capital Transaction s	Advance for Future Capital Increase	Transferred amount	Equity	Investments	Provision for investments losses	
Subsidiaries											
Ambipar Environmental Solutions - Soluções Ambientais Ltda	159,373	-	-	-	(859)	50,000	-	12,027	220,541	-	
Ambipar Logistics Ltda	10,148	-	-	-	-	3,500	-	141	13,789	-	
Holding Environmental Ambipar Environment Reverse Manufacturing S.A.	354	-	-	-	-	16,000	-	(568)	15,786	-	
Emergência Participações	-	(2,107)	-	-	-	3,570	-	1,522	2,985	-	
Ambipar Response UK	54,719	-	2,574	12,159	-	176,000	-	61,694	307,146	-	
Ambipar Howells	7,010	-	-	(2,757)	-	-	-	2,344	6,597	-	
Ambipar Environment Waste Logistics Ltda	-	(791)	-	(263)	-	-	-	-	-	(1,054)	
Ambipar EcoProducts S.A.	5,876	-	-	-	-	4,500	-	(803)	9,573	-	
Ambipar Workforce Solution Mão de Obra Temp. Ltda (a)	6,829	-	-	-	-	5,000	-	217	12,046	-	
Ambipar Coprocessing Ltda (b)	-	-	(2,574)	-	-	-	5,900	(1,394)	1,932	-	
Ambipar Facilities Ltda (c)	-	-	-	-	-	3,000	40	362	3,402	-	
Ambipar Compliance Solutions S.A. (d)	-	-	-	-	-	2,300	309	(474)	2,135	-	
Soubank (e)	-	-	-	-	(9,661)	-	14,184	1,741	6,264	-	
	-	-	-	-	-	-	1,298	-	1,298	-	
	244,309	(2,898)	-	9,139	(10,520)	263,870	21,731	76,809	603,494	(1,054)	

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- (a) On March 20, 2020, the Company acquired the 99,999 shares of the investee Ambipar Workforce Solution Mão de Obra Temp. Ltda of the subsidiary Emergencia Participações. The shares were transferred for consideration by the subsidiary Emergencia Participações. On the same date, the Company increased the share capital of the investee Ambipar Workforce with the issuance of 5,900 new shares of share capital, continuing to hold 100% of the investee's capital;
- (b) On April 3, 2020, the Company acquired 892,000 shares of the capital stock of the company Ambipar Coprocessing Ltda, as mentioned in note 7.1;
- (c) On July 2, 2020, the Company acquired 299,999 shares in the capital stock of the investee Ambipar Facilities Ltda, as mentioned in note 7.1;
- (d) On July 1, 2020, the Company acquired 4,960 shares of capital stock of the investee Ambipar Compliance Solutions SA, as mentioned in note 7.1 and on October 22, 2020 it acquired another 2,660 shares, holding 95.25% of the share capital of investee;
- (e) On December 22, 2020, the Company acquired 2,082,000 shares of the capital stock of the investee Ambipar Bank, as mentioned in note 7.1.
- (f) On January 1, 2021, the Company transferred the 96,599,998 shares it held in investee Ambipar Environmental Solutions - Soluções Ambientais Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (g) On January 1, 2021, the Company transferred the 4,634,998 shares it held in investee Ambipar Logistics Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (h) On January 1, 2021, the Company transferred the 47,663 shares it held in investee Ambipar Environment Reverse Manufacturing S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (i) On January 1, 2021, the Company transferred the 1,868,911 shares it held in the investee Ambipar Environment Waste Logistics Manufacturing S.A. to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (j) On January 1, 2021, the Company transferred the 171,032,169 shares it held in investee Ambipar Ecoproducts S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (k) On January 1, 2021, the Company transferred the 5,999,998 shares it held over the investee Ambipar Workforce Solution Manpower Temp. Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (l) On January 1, 2021, the Company transferred the 891,998 shares held in investee Ambipar Coprocessing Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (m) On January 1, 2021, the Company transferred the 299,998 shares it held in investee Ambipar Facilities Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (n) On January 1, 2021, the Company transferred the 7,620 shares it held in investee Ambipar Compliance Solutions S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (o) On September 27, 2021, the Company acquired 100,000 shares of capital stock of the investee Bleu Empreendimentos Digitais Ltda., as mentioned in note 7.1. On the same date, the Company increased the investee's capital with the issuance of 100,000 new shares of capital stock, now holding 50% of the investee's capital;
- (p) On October 5, 2021, the Company increased capital in the investee Emergencia Participações and the payment of the capital stock was through the transfer of investments in the following companies: Ambipar Response UK and Ambipar Howells.

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7.4. Breakdown of goodwill from expected future profitability

	Parent Company		Consolidated	
	2021	2020	2021	2020
Composition of goodwill by Segment				
Environment	-	-	1,020,440	53,596
Response	-	-	579,141	182,955
Others	87,260	148,278	87,260	148,278
	<u>87,260</u>	<u>148,278</u>	<u>1,686,841</u>	<u>384,829</u>

According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Adoption of the Equity Method, in the consolidated statement of financial position, goodwill from expected future profitability is recorded in the subgroup Intangible Assets, since it refers to the expectation of profitability of the acquired controlled company, whose assets and liabilities are consolidated in the parent company. However, in the Parent company's individual statement of financial position, this goodwill shall be in the subgroup of Investments, in the same group of Noncurrent assets, because to the investor this is part of its investment in the acquisition of the controlled company.

Goodwill arising from the acquisition of related (indirect) subsidiaries is recorded in the direct investment in the Parent Company and segregated in the Consolidated, as the other goodwill mentioned above, under the caption Intangible Assets.

We show below the rollforward of goodwill :

Rollforward	Parent Company		Consolidated	
	2021	2020	2021	2020
Opening balance	148,278	115,712	384,829	135,127
Exchange variation	475	2,437	(2,349)	4,070
Acquisition of Allied International Emergency LLC	-	-	-	39,871
Acquisition of Ambipar Coprocessing Ltda	-	4,140	-	4,140
Acquisition of Ambipar Facilities Ltda	-	5,991	-	5,991
Acquisition of Ambipar Compliance Solutions S.A.	-	18,496	-	18,496
Acquisition of Intracoastal Environmental, LLC	-	-	-	64,649
Acquisition of One Stop Environmental, LLC	-	-	-	32,746
Acquisition of Ambipar Green Tech Ltda	-	-	-	36,913
Acquisition of Custom Environmental Services, Inc	-	-	-	41,324
Transfer of Bioland (a)	(4,794)	-	-	-
Transfer of SOS Cotec (b)	(6,938)	-	-	-
Transfer of Ambipar Environment Reverse Manufacturing (a)	(3,302)	-	-	-

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Rollforward				
Transfer of Multiambiental (a)	(15,987)	-	-	-
Transfer of Avangard (a)	(781)	-	-	-
Transfer of Ambipar Insurance e Ambipar Workforce (a)	(9,395)	-	-	-
Transfer of Atmo Hazmat Ltda. (b)	(16,658)	-	-	-
Transfer of Ambipar Cooprocessing Ltda. (a)	(4,140)	-	-	-
Transfer of Ambipar Facilities Ltda. (a)	(5,991)	-	-	-
Transfer of Ambipar Compliance Solution S.A. (a)	(18,496)	-	-	-
Acquisition of AFC Logística Ambiental Ltda	-	-	16,335	-
Acquisition of Orion Environmental Services Ltda.	-	-	68,595	-
Saldo acervo inicial AFC Logística Ambiental Ltda	-	-	11,586	-
Acquisition of Enviroclear Site Services Limited	-	-	31,276	-
Acquisition of Centroeste Resíduos Ltda.	-	-	32,888	-
Acquisition of Metal Ar Engenharia Ltda.	-	-	20,650	-
Acquisition of Boomera Ambipar Gestão Ambiental S.A.	-	-	33,155	-
Acquisition of Disal Ambiental Holding S.A.	-	-	465,388	-
Acquisition of Ecológica Nordeste EIRELI e Ecológica Gestão Ambiental Ltda.	-	-	18,342	-
Acquisition of EMS Environmental, Inc.	-	-	12,080	-
Acquisition of Bleu Empreendimentos Digitais Ltda	29,921	-	29,921	-
Acquisition of Universo Ambipar Serviços Comércio e Consultoria S.A.	3,500	-	3,500	-
Acquisition of SABI Tech S.A.S - Suatrans Chile	-	-	9,951	-
Acquisition of Swat Consulting Inc.	-	-	48,386	-
Acquisition of ControlPar Participações S.A.	-	-	41,960	-
Acquisition of Professional Emergency Resource Services	-	-	27,061	-
Acquisition of Fênix Emergências Ambientais Ltda	-	-	7,677	-
Acquisition of APW Ambiental e Transporte Ltda.	-	-	7,557	-
Acquisition of Lynx Creek Industrial & Hydrovac Ltd.	-	-	14,720	-
Acquisition of Emerge Hydrovac Inc.	-	-	24,462	-
Acquisition of Lehane Environmental & Industrial Services Ltd	-	-	23,666	-
Acquisition of Drypol Indústria e Comércio de Polímeros Ltda	-	-	56,587	-

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Rollforward				
Acquisition of Suprema Serviços Industriais Ltda	-	-	90,670	-
Acquisition of SIR Ambiente Inteligência Ambiental Ltda	-	-	14,899	-
Acquisition of Biofílica Investimentos Ambientais S.A.	-	-	58,503	-
Acquisition of ZCT Publicidade e Consultoria Ambiental LTDA	-	-	13,464	-
Acquisition of Brasil Coleta Gerenciamento de Resíduos Ltda	-	-	93,820	-
Transfer of Response Uk e Howells (c)	(8,432)	-	-	-
Acquisition of others	-	1,502	27,262	1,502
Final balance	<u>87,260</u>	<u>148,278</u>	<u>1,686,841</u>	<u>384,829</u>

- (a) The goodwill was transferred to the subsidiary Environmental Participações at the time of the transfer of shares. The investment was transferred for consideration and classified as related parties ;
- (b) The goodwill was transferred to the subsidiary Emergencia Participações at the time of the transfer of shares. The investment was transferred for consideration and classified as related parties ;
- (c) The goodwill was transferred to the subsidiary Emergencia Participações at the time of the transfer of shares. The investment was transferred as payment of share capital in the investee .

Impairment test of intangible assets:

Goodwill is an asset with an indefinite useful life that shall be annually tested or whenever there is indication of any impairment. Assets and liabilities are grouped in CGUs (Cash Generating Units) for purposes of impairment test.

Any impairment loss is immediately recognized as loss in the statement of income and is not subject to subsequent reversal.

As required by Brazilian accounting practices and International Financial Reporting Standards (IFRS), the Company annually tests its assets for impairment.

The Company used the value in use method for impairment test. For all CGUs, five years of projection were considered, with growth in perpetuity, in addition to having observed the financial budgets prepared by Management to begin projection of cash flows.

Cash flows were discounted to present value through the application of the rate determined by the weighted average capital cost (WACC) that was calculated using the Capital Asset Pricing Model (CAPM) method and that also considers several components of financing, debt and equity capital used by the Company to finance its activities.

As a result of the impairment test, on December 31, 2021, and evaluating the scenario that there were no changes in the significant risk variables and in the assumptions used for future cash flow of the acquired businesses, since the last closing of the individual financial statements and consolidated statements, no losses were identified for the CGUs for the goodwill recorded in the Company and its subsidiaries.

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8. Fixed Assets

(a) Rollforward and changes

The changes in fixed assets are stated as follows:

	2021 (consolidated)												
	CTR (**)	Buildings	Facilities	Machinery and equipments	IT equipments	Furniture and Fixture	Vehicles	Leasehold Improvement	Construction in progress	Vessels	Lease	Others	Total
Cost													
Opening balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Transfers	-	-	-	7,525	(40)	-	3,052	-	(1,376)	-	(9,161)	-	-
Additions	29,701	1,403	(75)	178,083	5,709	1,336	235,580	3,010	65,329	818	34,205	-	555,100
Write-offs	(421)	(7,222)	(365)	(53,155)	(258)	(190)	(21,032)	(329)	(16,964)	(20)	(3,621)	(19)	(103,596)
Initial purchase collection (*)	50,218	53,917	1,793	531,392	18,770	6,643	457,582	5,387	35,058	-	83,025	-	1,243,784
Appropriation fair value of surplus value	-	(10,777)	(29)	37,270	1,581	328	17,575	-	-	-	-	-	45,948
Exchange rate gains (losses)	(2,017)	344	-	(7,706)	(567)	186	(11,116)	156	(22)	153	1,763	-	(18,826)
Final balance	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	160,858	-	2,341,679
Accumulated depreciation													
Opening balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
Transfers	-	-	-	(4,631)	(1)	-	(2,108)	-	-	-	6,740	-	-
Additions	(578)	(1,912)	(239)	(46,685)	(3,694)	(794)	(85,955)	(5,667)	-	(210)	(28,300)	-	(174,035)
Write-offs	3	183	450	23,106	576	133	17,618	117	-	960	7,895	11	51,052
Initial purchase balance (*)	(405)	(13,670)	(908)	(301,117)	(9,518)	(3,817)	(303,705)	(2,773)	-	-	(41,486)	-	(677,398)
Appropriation fair value of surplus value	-	216	2	(1,720)	(35)	(13)	(381)	-	-	-	-	-	(1,931)
Exchange rate gains (losses)	(24)	532	-	3,131	293	(186)	5,790	(123)	-	(99)	1,286	-	10,600
Final balance	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	(79,469)	-	(1,054,467)
Cost	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	160,858	-	2,341,679
Depreciation and Amortization	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	(79,469)	-	(1,054,467)
	118,744	23,489	1,168	457,841	15,778	4,907	455,506	22,349	100,870	5,171	81,389	-	1,287,212

(*) Initial collection for the purchase of investees Enviroclear Site Services Limited (United Kingdom), Orion Environmental Services Ltd. (Canada), EMS Inironmental, Inc (USA), Ambipar Environmental Nordeste SA, Metal Ar Engenharia Ltda., Centroeste Resíduos Ltda., Boomera do Brasil - Gestão Ambiental Ltda. and Disal Ambiental Holding S.A. (Chile).

(**) Waste Treatment Center.

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	2020 (consolidated)												Total
	CTR (**)	Buildings	Facilities	Machinery and equipments	IT equipments	Furnitur e and Fixture	Vehicles	Leasehold Improvement	Constructi on in progress	Vessels	Lease	Reorganization or Restructuring Expenses	
Cost													
Opening balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	-	405,193
Transfers	-	-	(21)	(115)	100	27	-	-	-	9	-	-	-
Additions	189	83	31	56,842	2,359	353	100,613	3,024	13,360	625	32,095	17	209,591
Write-offs	-	-	-	(21,761)	(8)	(35)	(17,529)	-	(13,289)	-	(1,381)	-	(54,003)
Transferred purchase amount(*)	-	-	10	19,041	1,371	2,751	15,278	1,682	983	2,062	-	2	43,180
Exchange rate gains (losses)	-	381	-	10,827	63	169	(564)	(5)	-	(160)	4,597	-	15,308
Final balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Accumulated depreciation													
Opening balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	-	(196,879)
Transfers	-	-	6	65	(33)	(30)	-	-	-	(8)	-	-	-
Additions	(591)	(186)	(130)	(15,731)	(518)	(188)	(30,636)	(5,206)	-	(161)	(11,213)	(9)	(64,569)
Write-offs	-	10	-	24,060	75	68	12,656	-	-	-	1,088	-	37,957
Initial purchase balance (*)	-	-	(4)	(12,905)	(1,246)	(2,434)	(10,955)	(667)	-	(1,442)	-	(2)	(29,655)
Exchange rate gains (losses)	-	(224)	(13)	(5,883)	(53)	(125)	256	5	-	115	(3,687)	-	(9,609)
Final balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
Cost	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Depreciation and Amortization	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
	<u>42,267</u>	<u>475</u>	<u>539</u>	<u>92,348</u>	<u>2,962</u>	<u>1,281</u>	<u>142,606</u>	<u>22,571</u>	<u>18,845</u>	<u>3,569</u>	<u>29,043</u>	<u>8</u>	<u>356,514</u>

(*) Initial collection for the purchase of investees Ambipar Coprocessing Ltda., Ambipar Facilities Ltda., Ambipar Compliance Solutions SA, Allied International Emergency LLC (USA), Intracoastal Environmental, LLC (USA), One Stop Environmental, LLC (USA) and Custom Environmental Services, Inc (USA).

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(b) Depreciation and amortization rates

Depreciation and amortization rates are shown below:

Ativos	Useful life (in years)	Annual weighted average rate (%)
Buildings	10 to 25	5
Sanitary landfill (*)	5,5 to 12	8.00
Leasehold improvement	3 to 25	18.67
Vessels	4 to 20	8.64
Tools	3 to 10	13.07
IT equipments	3 to 20	19.28
Facilities	3 to 10	14.55
Machinery and equipments	3 to 12	14.88
Machinery and equipments - Fleets	3 to 20	18.00
Furniture and fixture	3 to 12	12.72
Vehicles	3 a 25	20.31
Software use license	5	20.00
Software	3 to 5	21.11
Vehicles - Fleets	2 to 30	23.86
Research and development	2	50.00

(c) Assets given in guarantee

As of December 31, 2021, the amount of BRL 507,533 (BRL 180,445 as of December 31, 2020) is represented by the assets comprising the fixed assets in the classes of vehicles (primarily represented by trucks), machines, appliances and equipment, which are the guarantees of the respective financing in the form of FINAME and Lease.

(d) Impairment (Fixed assets and intangibles)

Management annually reviews the book value of assets in order to assess events or changes in economic or operational circumstances that may indicate impairment or loss of their recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable value, an impairment provision is set up adjusting the net book value to the recoverable value.

Intangible assets with indefinite useful lives are subject to annual impairment analysis regardless of whether or not there is any indication of impairment.

The recoverable amount of an asset is defined as the lower of its carrying amount and its value in use. The calculation of value in use is based on the discounted cash flow model, considering two CGUs: environmental and emergency. The business growth assumptions are based on the annual budget for 2021 and long-term projections of its subsidiaries. Estimated future cash flows were discounted at a rate equivalent to the weighted average cost of capital.

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The estimated EBITDA was projected considering the history and forecasts as follows:

- The revenues of the CGUs include provision of services. Revenue growth was projected considering the economic recovery and price increases / decreases based on inflation estimates;
- The operating costs and expenses were projected considering the historical performance of the UGC and the trends in readjustment of personnel costs and investments in structure; and
- Capital expenditures were estimated considering the maintenance of the existing infrastructure, machines, equipment and vehicles for continuous operation and compliance with contracts with customers.

For the years ended December 31, 2021 and 2020, the estimated value in use exceeded the carrying amount.

(e) Right of use asset - Consolidated

	Balance in January 1, 2021	New contracts	Initial Purchase Collection	Depreciation	Cost	Accumulated Depreciation	Net income
Right of use	29,043	29,926	41,539	(19,119)	160,858	(79,469)	81,389

They mainly refer to properties and fleets that are leased from third parties and to conduct the business of the Company and its subsidiaries in various locations in the country. As of April, 2020, the lease agreement with related parties of the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP was initiated, which are subject to market conditions.

9. Intangible assets

(a) Breakdown

	Annual Amortization rate	Consolidated	
		2021	2020
Cost			
Trademarks and patents		93,330	1,971
Right of use Software	20%	25,944	5,598
Research and Development (*)	50%	8,619	8,840
Goodwill paid with expected future profitability		1,686,841	384,829
Client portfolio	50%	209,499	3,891
Work force (**)	20%	12,032	853
		2,036,265	405,982
Accumulated amortization			
Trademarks and patents		-	(97)
Right of use Software		(12,456)	(5,115)
Research and Development		(8,516)	(5,109)
Client portfolio		(10,791)	(3,540)
Accumulated amortization		(378)	-
		(32,141)	(13,861)
Net total		2,004,124	392,121

(*) Substantially refers to investments in Research & Development of products from waste generated by the Company's customers and its subsidiaries; and

(**) Amortized from 2022 in accordance with the business plan defined in the acquisition.

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(b) Intangible assets rollforward

	Consolidated (2021)						Total
	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	
Cost							
Opening balance	1,094	6,475	8,840	3,891	384,829	853	405,982
Additions	809	3,961	-	729	1,275,700	-	1,281,199
Initial collection	2,041	16,318	-	1,800	11,759	-	31,918
Appropriation fair value of surplus value	89,386	-	-	203,156	-	11,179	303,721
Write-offs	-	(455)	(232)	-	-	-	(687)
Exchange rate	-	(355)	11	(77)	14,553	-	14,132
Final balance	93,330	25,944	8,619	209,499	1,686,841	12,032	2,036,265
Accumulated depreciation							
Opening balance	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
Additions	-	(1,201)	(3,617)	-	-	-	(4,818)
Initial collection	-	(5,915)	-	(228)	-	-	(6,143)
Appropriation fair value of surplus value	-	-	-	(7,033)	-	(378)	(7,411)
Write-offs	-	-	219	-	-	-	219
Exchange rate	-	(128)	(9)	10	-	-	(127)
Final balance	-	(12,456)	(8,516)	(10,791)	-	(378)	(32,141)
Cost	93,330	25,944	8,619	209,499	1,686,841	12,032	2,036,265
Accumulated amortization	-	(12,456)	(8,516)	(10,791)	-	(378)	(32,141)
	93,330	13,488	103	198,708	1,686,841	11,654	2,004,124

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	Consolidated (2020)						Total
	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	
Cost							
Opening balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Transfers	(2,155)	2,155	-	-	-	-	-
Additions	286	193	821	-	247,206	-	248,506
Transferred amount	122	110	240	-	-	-	472
Write-Offs	(118)	-	-	-	-	-	(118)
Exchange rate	552	-	(21)	-	2,496	-	3,027
Final balance	1,094	6,475	8,840	3,891	384,829	853	405,982
Accumulated depreciation							
Opening balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Transfers	1,375	(1,375)	-	-	-	-	-
Additions	(45)	(300)	(3,514)	-	-	-	(3,859)
Transferred amount	(118)	(110)	(228)	-	-	-	(456)
Write-Offs	118	-	-	-	-	-	118
Exchange rate	(342)	(21)	18	-	-	-	(345)
Final balance	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
Cost	1,094	6,475	8,840	3,891	384,829	853	405,982
Accumulated amortization	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
	1,094	1,263	3,731	351	384,829	853	392,121

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10. Loans and financing

10.1. Breakdown

Type	Financial Charge - % a.a. (*)	Maturity	Consolidated			
			2021		2020	
			Current	Non-current	Current	Non-current
Working capital	3,16 + CDI	July 2026	138,730	629,150	7,080	19,611
Investment	10,84	June 2027				
financing			97,382	349,137	37,006	141,771
Finance lease	8,51	November 2025	31,750	29,264	790	878
			<u>267,862</u>	<u>1,007,551</u>	<u>44,876</u>	<u>162,260</u>

(*) Effective weighted average annual cost of interest on December 31, 2021.

As provided for in the Final Prospectus of the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and, anticipated, payments of loan contracts with high funding costs during the month of July 2020. Working capital loans were considered Therefore, the Company decided to liquidate them. The costs related to the prepayment of the loans were recorded as financial expenses, in the amount of R\$ 17,900.

10.2. Description

- (i) Working capital: Working capital operations are fixed at a weighted average rate of 3.16% p.a. plus CDI, and maturities from August 2021 to July 2026;

Turnover in foreign currency - Resolution 4131

In June 2021, subsidiary Environmental entered into a loan agreement in US dollars in the amount of USD 9,917 thousand, equivalent to R\$ 50,000, on the transaction date, with the financing agent Banco Bocom BBM S.A. Nassau Branch, guaranteed by a letter of guarantee assumed by the Company and the shareholder, with interest of 2.91% p.a. and exchange variation, with payment of principal and interest in 12 monthly installments.

To hedge the loan, subsidiary Environmental contracted a derivative financial instrument, cash flow swap, with Banco BBM S.A. in the same amount and maturities, exchanging the exposure of the variation of the USD currency plus a fixed rate of 2.91% per year, for the fixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as collateral to the lender of the US dollar loan;

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- (ii) Financing investments (FINAME): Acquisition of heavy vehicles and machinery used in the operations of subsidiaries. The contracts have a fixed rate with a weighted average of 10.84% p.a., with monthly amortization and the last installment due in June 2027;
- (iii) Finance lease : Contracts with a fixed rate with a weighted average of 8.51% p.a., monthly amortization and maturity of the last installment in November 2025.

10.3. Payment schedule of non-current liabilities installments

Year of maturity	Consolidated	
	2021	2020
2022	-	50,642
2023	305,914	52,151
2024	270,888	38,909
2025	261,465	20,558
2026	133,135	-
As from 2027	42,225	-
	<u>1,013,627</u>	<u>162,260</u>
Funding cost (long term)	(6,076)	-
	<u>1,007,551</u>	<u>162,260</u>

10.4. Guarantees

Financing with FINAME funds is guaranteed by the financed assets and was raised primarily to set up fleet of vehicles for the operation of the subsidiaries. This financing is made through certified financial institutions, for the production and acquisition of new machines and equipment, domestically manufactured, certified with the National Bank for Economic and Social Development (BNDES).

Loans for working capital are guaranteed by the Company's shareholders approval.

11. Debentures

11.1. Breakdown

	Financial charges - %	Year of maturity	Parent Company			
			Current		Non-current	
			2021	2020	2021	2020
Debentures	CDI + 2,75	July/2027	<u>14,232</u>	-	<u>493,359</u>	-
			<u>14,232</u>	-	<u>493,359</u>	-
	Financial charges - %	Year of maturity	Consolidated			
			Current		Non-current	
			2021	2020	2021	2020
Debentures	CDI + 2,75 e 2,85	July/2027	<u>74,232</u>	-	<u>1,318,007</u>	-
			<u>74,232</u>	-	<u>1,318,007</u>	-

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11.2. Payment schedule for non-current liability installments

Year as maturity	Parent Company		Consolidated	
	2021	2020	2021	2020
2023	-	-	240,000	-
2024	125,000	-	365,000	-
2025	125,000	-	365,000	-
2026	125,000	-	245,000	-
2027	125,000	-	125,000	-
Total	500,000	-	1,340,000	-
Funding cost (long term)	(6,641)	-	(21,993)	-
	493,359	-	1,318,007	-

11.3. Issuance of debentures

Ambipar Participações e Empreendimentos S.A.

On July 15, 2021, the members of the Company's Board of Directors at the Extraordinary Shareholders' Meeting resolved and approved the 2nd issue of simple, non-convertible debentures, of the unsecured type, with additional personal guarantee, in a single series, in the amount of BRL 500,000. The funds raised were used to recompose the Company's cash.

The debentures have final maturity in July 2027, the payment of the principal will be made in 4 annual installments, the first being in July 2024 and the interest will be paid semi-annually, with the first payment in January 2022.

Environmental ESG Participações S.A.

On June 16, 2021, the Management of the subsidiary Environmental ESG Participações SA, at an Extraordinary General Meeting, resolved and approved the 1st issue of debentures, with the issuance of 900,000 simple, non-convertible debentures, of the type with real guarantee, with additional guarantee trust, in a single series, in the total face value of R\$ 900,000. The funds raised were substantially allocated to the Acquisition of corresponding to 100% of the capital stock of Disal Ambiental Holding S.A.

The debentures have final maturity in June 2026, interest and principal will be paid quarterly, with the first payment in September 2021 and December 2022, respectively.

11.4. Contractual restrictions and covenants

The subsidiary Environmental ESG Participações S.A. has a debenture agreement that has certain obligations, including compliance with financial indices (covenants). They are basically linked to the Net Debt / EBITDA* compliance ratio, which must be measured every six months by the Company.

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In addition, the Company must notify in advance of: incorporation, merger, spin-off or corporate reorganization, liquidation, extinction or dissolution, capital reduction, distribution of dividends above the mandatory minimum or any transfer of assets of the Company and its subsidiaries, as well as as an entry with a request for judicial recovery.

As of December 31, 2021, there were no events that could lead to breach of contract.

12. Trade accounts payable

	Consolidated	
	Current	
	2021	2020
Trade - National operations	26,210	12,011
Trade - International operations	73,170	5,157
Trade - Related parties	-	635
	<u>99,380</u>	<u>17,803</u>

13. Lease liabilities

	Consolidated		
	Lease liabilities	Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Opening balance as at January 1, 2021	31,781	(3,465)	28,316
Recognition of new contracts *	29,806	(5,029)	24,777
Initial Purchase Collection	40,529	(152)	40,377
Main Payment	(20,014)	-	(20,014)
Interest Payment	(2,703)	-	(2,703)
Interest Appropriation	-	2,595	2,595
Exchange rate fluctuation	2,863	-	2,863
Final balance as at December 31, 2021	<u>82,262</u>	<u>(6,051)</u>	<u>76,211</u>
Current	29,058	(2,820)	26,238
Non-current	53,204	(3,231)	49,973

* The amount of PIS and COFINS included in this amount is R\$688.

	Consolidated		
	Lease liabilities	Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Opening balance as at January 1, 2020	10,035	(1,259)	8,776
Recognition of new contracts	31,264	(3,641)	27,623
Payment	(10,889)	-	(10,889)
Recognition of interest	-	1,435	1,435
Exchange rate fluctuation	1,371	-	1,371
Final balance as at December 31, 2020	<u>31,781</u>	<u>(3,465)</u>	<u>28,316</u>
Current	8,844	(1,199)	7,645
Non-current	22,937	(2,266)	20,671

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These refer to lease liabilities measured at the present value of lease payments expected until the end of the agreement, considering possible renewals or cancellations.

The following shows, for demonstration purposes only, the flows of future lease payments, considering the projected inflation until the maturity of the contracts, in relation to the lease commitments for the right to use:

Year of maturity	Consolidated 2021
2022	29,078
2023	23,595
2024	21,547
2025	14,170
as from 2026	7,274
	<u>95,664</u>

14. Provision for contingencies and court deposits

14.1. Breakdown

At December 31, 2021 and 2020, the subsidiaries reported the following liabilities and corresponding court deposits related to contingencies:

	Consolidated			
	2021		2020	
	Court deposits	Provision for contingencies	Court deposits	Provision for contingencies
Probable contingencies:				
Social security and labor contingencies	2,377	2,327	2,463	2,579
	<u>2,377</u>	<u>2,327</u>	<u>2,463</u>	<u>2,579</u>

The Company and its subsidiaries are parties to labor, social security and civil lawsuits, and are discussing these issues at both administrative and judicial levels, which, when applicable, are mostly supported by judicial appeals.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for lawsuits whose probability of loss in the respective outcomes was assessed as probable.

Management believes that resolving these issues will not have an effect significantly different from the amount accrued.

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14.2. Provision for contingencies rollforward

Changes in the provision for contingencies in December 31, 2021 and 2020 are as follows:

	Consolidated
(=)Balance on January 1, 2020	7,432
(-) Write-offs/Reversals	(4,853)
(=)Balance as at December 31, 2020	2,579
(+) Initial collection for the purchase	273
(-) Write-offs/Reversals	(525)
(=)Balance as at December 31, 2021	2,327

14.3. Nature of the contingencies

Labor and social security contingencies refer to suits filed by former employees related to amounts arising from work relationships and various indemnity requests. Civil contingencies refer to lawsuits filed by former suppliers and former partners related to indemnity for material damages arising from the business relation with the Company's subsidiaries.

As at December 31, 2021, Management reassessed the criteria of provision for labor contingencies, considering the risk of loss in each suit and started to record the estimated amount of probable loss in each filing in the lawsuits.

The Company has contingencies classified as possible losses as at December 31, 2021 in the amount of R\$ 6,638 (as at December 31, 2020 R\$ 7,501).

14.4. Asset contingencies

The controlled company Ambipar Logistics has filed a lawsuit for damages and indemnity against a former client due to receivables in default supported by the effective rendering of services and a contractual fine for breach of contract signed.

As at December 31, 2021, the adjusted amount of the suit is R\$ 2,439, whose estimate for a favorable outcome evaluated by the controlled company's legal counselors is probable. The process has been conducted by the internal legal department of the Group and there are no additional liabilities due to costs and fees.

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15. Related-party transactions

15.1. Breakdown

The main transaction with related parties in the Ambipar Group was carried out under the following conditions:

	Parent company	
	2021	2020
Asset		
Dividends receivable:		
Environmental ESG Participações S.A.	2,536	-
Emergência Participações S.A.	31,155	-
	33,691	-
Loan (non-current)		
Ambipar Environment Reverse Manufacturing S.A.	488	453
Ambipar R&D Pesquisa e Desenvolvimento Ltda.	156	156
Ambipar Logistics Ltda	365	365
Ambipar Response Limited (Reino Unido)	1,119	1,056
Ambipar Response S.A.	44,713	3,209
Environmental ESG Participações S.A.	471,094	725
Ambipar EcoProducts S.A.	461	461
Emergência Participações S.A.	424,698	-
Ambipar Coprocessing Ltda.	419	419
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	4,990	-
Ambipar Environmental Solution - Soluções Ambientais Ltda	70,669	5,056
Ambipar Environment Waste Logistics Ltda	318	318
Ambipar Environmental Centroeste S.A.	570	-
MDTEC Engenharia e Serviços Ltda.	291	-
	1,020,351	12,218
Liabilities		
Dividends payable		
Controlling shareholder	20,944	6,523
Non-controlling shareholders	13,295	4,123
	34,239	10,646
Loan (non-current)		
Emergência Participações S.A.	-	2,342
Ambipar Response Insurance - Atendimento a Seguros Ltda	4,500	4,500
Ambipar Facilities Ltda	1	-
Atmo Hazmat Ltda	6	6
Ambipar Workforce Solution - Mão de Obra Temporária Ltda	5,846	5,880
Ambipar Environmental Solutions - Soluções Ambientais Ltda.	131	-
Ambipar Financial Participações S.A.	1	-
Ambipar Environment Reverse Manufacturing S.A.	1	-
Bleu Empreendimentos Digitais Ltda	13,000	-
	23,486	12,728

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Loans

Are current account transactions carried out exclusively between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control. These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aiming at a better management of financial resources.

	Consolidated	
	2021	2020
Result (trade transactions)		
Revenue		
Disal Chile Sanitarios Portables Ltda.	-	51
Ingeniería en Sanitización S.A.	-	1
Ingeclean Perú SAC	-	7
Gestión de Servicios Ambientales SAC	-	50
Inmobiliaria e Inversiones D&G Ltda.	-	28
	-	137
Cost		
Disal Chile Sanitarios Portables Ltda.	-	(14)
Gestión de Servicios Ambientales SAC	-	(191)
Inversiones Algarrobo S.A.	-	(296)
	-	(501)
Net result	-	(364)
Remuneration of key personnel	22,708	12,839

Trade transactions

In 2020, it refers to related parties linked to the Chilean non-controlling shareholder, which has strictly commercial transactions, that is, entered into for the purpose of providing environmental services, leases, as well as providing emergency response services. For the execution of such transactions, the commercial conditions of the local market are observed.

15.2. Compensation of key management personnel

The remuneration of all the managers of the group and Board of Directors corresponding to short-term benefits amounted to R\$ 22,708 in the fiscal year 2021 (R\$ 12,839 in 2020).

There is benefit to use vehicles, reimbursements, travel and others offered to directors and members of the Board of Directors. In the fiscal year 2021, these benefits amount R\$ 1,492 (R\$ 769 in 2020).

In 2021, there were no long-term benefits, termination of employment contracts or share-based compensation.

16. Equity

16.1. Share capital

Share capital, subscribed and paid in, is represented by 112.935.588 nominative common shares (112.935.588 shares in 2020), in the amount of R\$ 1,151,602.

On July 10, 2020, the initial public offering of shares issued by the Company ("Offer") was registered. The Offer consisted of the primary public distribution of 38.028.987 new common shares issued by the Company at a price of R\$ 24.75, carried out in accordance with CVM Instruction 400, of December 29, 2003, as amended.

On July 20, 2020, the Supplementary Shares option was fully exercised under the Offer, with the issuance of 5.704.347 new common shares of the Company, each in the amount of R\$ 24,75. Issuance cost of shares were calculated in the amount of R\$ 107,937, and recorded in a specific account in shareholders's equity.

16.2. Profit reserves

Legal Reserve

The legal reserve is constituted annually as a destination of 5% of the net income for the year and cannot exceed 20% of the share capital.

The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

Unrealized profit reserve

The unrealized profit reserve is represented by undistributed profits, due to the fact that equity income is not realized from its investees.

Approval of 2020 profit allocations

On April 30, 2021, the Company approved in the AGM the allocation of net income verified in the fiscal year ended on December 31, 2020, corresponding to the amount of R\$ 44,824, as follows: R\$ 2,241 was allocated to the constitution of a reserve legal, R\$10,646 was allocated to the distribution of shareholders, as dividends, and R\$31,937 was allocated to the unrealized profit reserve.

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Approval of 2021 profit allocations

Management will propose at the Annual Shareholders' Meeting (AGO) the retention of the net income for the year, after the constitution of the legal reserve and mandatory minimum dividends, as "Reserve for unrealized profits" in the amount of R\$ 102,716, which may be realized when of the profits attributed to the result of the equivalence of investments are realized, for example, with the receipt of dividends from subsidiaries and joint ventures.

In the 2022 fiscal year, the Company will distribute dividends in the amount of R\$34,239, as mandatory minimum dividends for the 2021 fiscal year, with no supplement required to be resolved.

As a result of the above, the Company's net income has been allocated as follows:

	2021	2020
Net income for the year	144,163	44,824
Distribution of profit reserve	(34,239)	(10,646)
Appropriation of legal reserve (5%)	(7,208)	(2,241)
Apropriation of unrealized profit reserve	102,716	31,937

16.3. Allocation of additional profits from prior years

In the quarter ended March 31, 2020, the Company distributed as additional profits from previous years the amount of R\$ 2,100, approved by the shareholders at the AGE dated March 27, 2020.

16.4. Earnings per share

Basic

Basic earnings (losses) per share are calculated by dividing the income attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding those shares bought by the Company and held as treasury shares. Any dividends of preferred shares and any premiums paid upon the issue of preferred shares during the year are deducted from the income attributed to the parent company's shareholders.

Earning per share	2021	2020
Earning per share operations attributable to shareholders of the parent company before deductions	168,871	49,523
Number of common and preferred shares	112.935.588	112.935.588
Basic earnings per share (in Reais)	1.50	0.44
Diluted earnings per share (in Reais)	1.50	0.44

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Diluted

As of December 31, 2020, the Company has no dilution of common shares.

16.5. Cumulative translation adjustment

Refers substantially to exchange variation on foreign investments and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and its subsidiaries.

16.6. Equity valuation adjustment

Substantially refers to the reflex equivalence of investees acquired in the Ambipar Group, which have equity valuation adjustment as a result of the initial adoption of ICPC 10 in relation to their property, plant and equipment.

16.7. Capital transaction

Refers to the Acquisition of by the subsidiary Emergencia Participações S.A. of the remaining 50% of Suatrans Chile S.A. through the Acquisition of the holding company Inversiones Disal Emergencias S.A. (Chile).

	Response
	Inversiones Disal Emergencias
Assets and liabilities acquired at fair value (*)	
Cash and cash equivalentes	1,005
Other assets	25,650
Other liabilities	(326)
Total identifiable net assets	26,329
Total amount of the consideration transferred	144,430
(-) Cash acquired	(1,005)
(-) Assumed amount of the obligation to pay	-
Cash paid, net of cash received	143,425
Determining goodwill from expected future profitability (*)	
Total amount of the consideration transferred, Net	144,430
Total amount of identifiable net liabilities	(26,329)
Goodwill resulting from expected future profitability	118,101
Acquisition Month	06/28/2021
Control start Month	07/2021
Company that acquired control	Emergência Participações S.A.
Aquisition Value	US\$ 26.185
Percentage acquired	99.99%

16.8. Participation of non-controlling shareholders

The changes in non-controlling interests mentioned in the statement of changes in equity refer substantially to the acquisition of the indirect subsidiary Ambipar Environmental Nordeste SA, Metal Ar Engenharia Ltda., Boomera do Brasil - Gestão Ambiental Ltda., Centroeste Resíduos Ltda., ControlPar Participações SA, Biofílica Investimentos Ambientais SA, Drypol Indústria e Comércio de Polímeros Ltda., Suprema Serviços Industriais Ltda., SIR Ambiente Inteligência Ambiental Ltda., Brazil Coleta Gestão de Resíduos Ltda. and Bleu Empreendimentos Digitais Ltda.

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17. Information by segment

Management defined the Company's operating segments, based on the reports used to make strategic decisions, reviewed by Management, which are segmented between environmental ("Environment") and emergency ("Response") services. Other businesses are linked to the Company itself, business holding and other activities not previously linked and mentioned in Note N° 1.1.

The main operations by business segment corresponding to December 31, 2021 and 2020 are as follows:

Description	Environment		Response		Outros		Consolidado	
	2021	2020	2021	2020	2021	2020	2021	2020
Total asset value	3,143,651	511,727	1,336,215	526,557	381,503	605,877	4,861,369	1,644,161
Total liability value	2,461,424	195,455	515,958	218,272	579,255	4,684	3,556,637	418,411
Net sales and national services revenue	1,092,769	336,430	822,203	365,182	1,360	-	1,916,332	701,612
Cost and expenses	(812,260)	(241,325)	(601,304)	(255,186)	(1,904)	(9,031)	(1,415,468)	(505,542)
Financial income	10,970	1,414	11,824	7,382	15,481	5,799	38,275	14,595
Financial expenses	(116,715)	(28,724)	(10,428)	(14,205)	(17,208)	(26,288)	(144,351)	(69,217)
Depreciation and amortization	(131,969)	(43,377)	(56,215)	(21,602)	(11)	(3,449)	(188,195)	(68,428)
Equity	-	-	-	-	-	-	-	-
Expenses or revenue with corporate income tax and social contribution	(16,047)	(8,149)	(37,748)	(16,832)	-	-	(53,795)	(24,981)
Operating profit	152,609	52,726	176,869	87,896	(736)	(11,496)	328,742	129,126

The consolidated result considers the elimination of sales between the Company's companies. As of December 31, 2021, the Company has no customer representing more than 10% of its net revenue.

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18. Net operating revenue

The reconciliation of gross revenues with net revenues from services rendered is as follows:

	Consolidated	
	2021	2020
Gross revenue for service rendered	2,197,459	800,407
Cancellations	(16,334)	(7,001)
Sales tax	(264,793)	(91,794)
Net operating income	1,916,332	701,612

	Consolidated	
	2021	2020
Gross revenue in the domestic market	1,234,586	571,546
Gross revenue in the foreign market (*)	962,873	228,861
Total	2,197,459	800,407

(*) Gross revenue in the foreign market comes from investments abroad (Allied International Emergency LLC (USA), One Stop Environmental, LLC (USA), Intracoastal Environmental, LLC (USA), Custom Environmental Services, Inc (USA), Swat Consulting Inc (US), Professional Emergency Resource Services (US), Enviroclear Site Services Limited (UK), Lehane Environmental & Industrial Services Ltd (Ireland), Orion Environmental Services Ltd. (Canada), Emerge Hydrovac Inc. (Canada), Lynx Creek Industrial & Hydrovac Ltd. (Canada), Suatrans Chile SA (Chile) and subsidiaries and Disal Ambiental Holding SA and subsidiaries).

19. Costs and expenses by nature

	Parent company		Consolidated	
	2021	2020	2021	2020
Materials used providing services	-	-	(65,561)	(9,672)
Labor charges and personal	-	(2,133)	(712,494)	(280,107)
Fuels	-	(3)	(65,597)	(18,394)
Freight and tolls	-	(22)	(26,020)	(19,947)
Maintenance of machinery, devices and equipment and vehicles	-	-	(97,196)	(18,370)
Taxes	-	(175)	(17,767)	(6,354)
Rent and HOA fees	-	(318)	(13,873)	(5,231)
Lease of assets, vehicles, machinery and equipment	-	-	(17,609)	(3,185)
Telephone expenses	-	(4)	(4,245)	(2,813)
Traves expenses	-	(92)	(15,950)	(7,199)
Depreciation and amortization	-	(3,449)	(188,195)	(68,428)
Advertising and publicity	-	(359)	(12,555)	(5,958)
Third-party services	-	(3,385)	(220,717)	(56,843)
Other expenses	-	(1,556)	(129,811)	(69,985)
	-	(11,496)	(1,587,590)	(572,486)
Cost of services rendered	-	-	(1,499,772)	(542,819)
General, administrative and selling	-	(12,306)	(103,891)	(31,151)
Others revenues (expenses) operating, net	-	810	16,073	1,484
	-	(11,496)	(1,587,590)	(572,486)

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20. Financial income and expenses, net

	Parent company		Consolidated	
	2021	2020	2021	2020
Financial income				
Discounts revenue	254	7	609	477
Interest charged	-	43	1,178	570
Revenue from financial investment	14,888	5,193	23,317	5,361
Exchange rate gains	254	556	9,190	7,527
Monetary gain	-	-	202	623
Others	-	-	3,779	37
	<u>15,396</u>	<u>5,799</u>	<u>38,275</u>	<u>14,595</u>
Financial expenses				
Interest paid	(706)	(9)	(14,466)	(4,530)
Amortization costs	(881)	(15,903)	(46,874)	(17,900)
Interest on loans	(14,232)	(5,283)	(62,428)	(29,927)
Interest on debentures	-	(4,470)	(1,590)	(3,322)
Discounts granted	(450)	-	(3,775)	(1,665)
Bank expenses	(467)	(211)	(6,092)	(1,841)
Tax on financial transaction (IOF)	(193)	(353)	(2,710)	(2,020)
Exchange rate losses	(230)	(59)	(364)	(5,709)
Others	(34)	-	(6,052)	(2,303)
	<u>(17,193)</u>	<u>(26,288)</u>	<u>(144,351)</u>	<u>(69,217)</u>
Financial result, net	<u>(1,797)</u>	<u>(20,489)</u>	<u>(106,076)</u>	<u>(54,622)</u>

21. Imposto de renda e contribuição social

(a) Breakdown of expenses

	Consolidated	
	2021	2020
Current income tax and social contribution	(47,055)	(12,421)
Deferred income tax and social contribution	(6,740)	(12,560)
Income tax expense	<u>(53,795)</u>	<u>(24,981)</u>

(b) Reconciliation of income tax and social contribution expenses

	Consolidated	
	2021	2020
Profit before income tax and social contribution	222,666	74,504
Tax calculated based on effective tax rate - 34%	(75,706)	(25,331)
Reconciliation:		
Recognition of deferred IRPJ/CSLL on tax loss	23,774	(2,912)
Adjustments for permanent differences in other jurisdictions	35,111	10,205
Adjustment Differences in tax regime	(12,548)	-
Other adjustments on temporary and permanent differences	(24,426)	(6,943)
Income tax and social contribution	<u>(53,795)</u>	<u>(24,981)</u>
Tax rate on income tax and social contribution - %	<u>24.2%</u>	<u>33.5%</u>

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(c) Deferred income tax and social contribution

The Company has updated the registration and presents deferred income tax and social contribution assets at the limit of their realization, to reflect future tax effects on temporary differences between the tax basis of assets and their respective carrying amounts, calculated at the combined tax rate of 34%, as well as demonstrates the basis for constituting deferred income tax and social contribution liabilities, constituted taking into account the obligations existing in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

	Consolidated	
	2021	2020
Tax basis - Asset		
Tax loss and negative basis	78,048	26,773
Temporary differences in another jurisdiction	18,647	11,459
	<u>96,695</u>	<u>38,232</u>
Income tax - 25%	24,173	9,558
Social contribution - 9%	8,703	3,441
Income tax and social contribution - asset	<u>32,876</u>	<u>12,999</u>
	Consolidated	
	2021	2020
Tax basis - liabilities		
Provisions - temporary differences	(368,621)	(31,765)
Temporary differences in other jurisdiction	(101,684)	(9,397)
	<u>(470,305)</u>	<u>(41,162)</u>
Income tax - 25%	(117,577)	(10,290)
Social contribution - 9%	(42,327)	(3,705)
Income tax and social contribution - liabilities	<u>(159,904)</u>	<u>(13,995)</u>

(d) Deferred income tax and social contribution rollforward

	Consolidated	
	2021	2020
Rollforward		
Opening balance - asset, net liabilities	(996)	11,762
Net income	(6,740)	(12,560)
Others transactions - tax calculation basis	(119,292)	(198)
Final balance - asset, net liabilities	<u>(127,028)</u>	<u>(996)</u>

(e) Realization of deferred income tax and social contribution

Realization for year	2021
2022	8,219
2023	8,219
2024	8,219
2025 forth	8,219
	<u>32,876</u>

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22. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with their equity assets and their operation.

The coverage contracted is based on criteria for the study of risks and losses, and the types of insurance contracted are considered by Management to be sufficient to cover any claims that may occur, in view of the nature of the activities of the Company and its subsidiaries. The main ones as of December 31, 2021 are detailed below:

Segmento	Cover	Object	Insured amount	Effective date
Environment	Civil responsibility	Provision of services in third party locations	9,581	until Dez/2022
Environment	Civil liability for cargo transport	Cargo Accident and cargo coverage on international travel	2,316	until Mar/2023
Environment	General Insurance	Claims coverage in the administrative building	6,000	until Fev/2023
Response	Civil responsibility	Provision of services at third-party locations	15,000	until Set/2022
Response	General	Provision of services at third-party locations	1,700	until Set/2022
Response	Life insurance	Employee life insurance	1,851	until Mai/2025

23. Additional information to cash flows

Investment and financing transactions that did not involve cash.

	Consolidated	
	2021	2020
Acquisition of fixed assets through financing	276,541	120,283
Operating leasing	24,777	27,623
Balance to be paid for investment acquisition	261,157	79,011
Cumulative translation adjustment	(19,614)	11,576
Non-controlling interest	7,353	5,441
Proposed Dividends	34,239	10,646
Dividends Receivable	33,691	-

24. Impacts on the Company and its subsidiaries - COVID-19

Since the beginning of the pandemic, we have installed a Contingency Committee, which is working on several fronts and meeting periodically to make the necessary decisions aimed mainly at taking care of the health of all our employees. Among the actions adopted, we can highlight: installation of the decontamination tunnel in the entrance to the Company's facilities; environment disinfection performed periodically; adoption of home office for part of the employees, including those considered as risk group; and availability of a Virtual Doctor. The decisions taken are constantly reassessed, according to the current events and facts, and the determinations and guidelines of the competent authorities.

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The Management of the Company and its subsidiaries believes that the profile of the services provided by our business units has proven to be in line with the current situation, as a substantial part of the revenue is based on long-term contracts with high income predictability and considered essential to our customers and Society. Furthermore, we started offering disinfection services for commercial, industrial and administrative spaces, which demonstrates the Company's capacity for innovation in capturing opportunities, even in adverse times.

If the length of the contagion curve of the pandemic resulting from COVID-19 extends over time, it may bring a natural slowdown in the economy within the countries in which we operate, however, we can say that the Company has a robust and sufficient capital structure to surpass an even more adverse scenario.

We emphasize that the Company's management also periodically reviews its cost structure, maintaining a robust growth plan with investments in complementing our service portfolio and global action, combining expansion and quality in the services rendered.

25. Private pension

The subsidiary Metal Ar grants all its employees the option of joining the Renda Total Empresarial Metal Ar private pension plan (defined monthly contribution) managed by Brasilprev Seguros e Previdência SA. monthly contributions, limited to 4% of gross income, with subsidiary Metal Ar responsible for contributing the same amount. As of December 31, 2021, the number of participants was:

	31/12/2021
Employees opting for the private pension plan	85
Total employees	596
% de colaboradores no plano	14,26%

The total spent during 2021 as a contribution by the subsidiary Metal Ar was R\$118.

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26. Subsequent events

Item	Event	Date	Description
1	3rd Issue of Ambipar Participações e Empreendimentos S.A. debentures	January/2022	On January 10, 2022, the Company concluded the 3rd issue of simple, non-convertible debentures, in a single series of the unsecured type with additional personal guarantee. The issuance of 750,000 debentures, in the total amount of R\$750,000, with a unit par value of R\$1, with final maturity in January 2028.
2	Start of construction of the GIRI project by Disal Ambiental Holding S.A.	January/2022	In January 2022, the indirect subsidiary Disal Ambiental Holdings S.A. announced the start of construction of the GIRI Project located in the city of Santiago, Chile, which will be a classification, pre-treatment and preparation plant for recycling and recovery of waste with a capacity of 60,000 tons per year, with a potential net revenue of USD 8 million and potential EBITDA margin of 70% per year. The total investment of the Project will be approximately USD 18 million and the start-up is scheduled for early January 2023.
3	Announcement of the acquisition of 100% of the company First Response, through its indirect subsidiary Ambipar Holding Canada Inc.	February/2022	In February 2022, the Company announced the Acquisition of 100% of the company First Response through its indirect subsidiary Ambipar Holding Canada Inc., a company founded in 2007, First Response is a specialist in environmental emergencies with a focus on fire, training, simulations and outsourcing of firefighters and firefighting equipment, being a reference in its segment, it has 8 operational bases in Canada, in the states of British Columbia and Alberta. In 2021, it had revenues of 10.2 million Canadian dollars with EBITDA of 2.1 million Canadian dollars.
4	Announcement of the acquisition of 100% of the companies Fox Comércio de Aparas Ltda. and Fox Indústria e Comércio de Plásticos Reciclados Ltda. ("FOX") through its direct subsidiary Environmental ESG Participações S.A.	February/2022	In February 2022, the Company announced the acquisition of 100% of the companies Fox Comércio de Aparas Ltda. and Fox Indústria e Comércio de Plásticos Reciclados Ltda through its direct subsidiary Environmental ESG Participações SA, companies that have been in the Waste Management market for over 40 years and are specialized in capturing and marketing industrial waste and recyclable materials, including logistics reverse.
5	Partnership with the company BP Carbon Trading Limited through its indirect subsidiary Biofíllica Ambipar Environmental S.A.	March/2022	The Company informs that the indirect subsidiary Biofíllica Ambipar Environmental S.A. has signed an of Partnership with the company BP Carbon Trading Limited ("British Petroleum") with the objective of form a Joint Venture to promote, develop and operate nature-based solutions (NBS) in Peru, aiming to become the largest Nature-based company Solutions in the world in the medium and long term."